

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 15581) granting a pension to Clarissa A. Shanks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15582) granting a pension to Mathew Dudley; to the Committee on Pensions.

Also, a bill (H. R. 15583) granting an increase of pension to Margaret A. Warren; to the Committee on Pensions.

Also, a bill (H. R. 15584) granting an increase of pension to Louisa E. Schindling; to the Committee on Pensions.

By Mr. BEGG: A bill (H. R. 15585) granting a pension to Louisa May; to the Committee on Invalid Pensions.

By Mr. DUNBAR: A bill (H. R. 15586) for the relief of Isabella A. Burns; to the Committee on Military Affairs.

Also, a bill (H. R. 15587) for the relief of M. Fine & Sons; to the Committee on Claims.

By Mr. FESS: A bill (H. R. 15588) for the relief of Earl Smith; to the Committee on Claims.

Also, a bill (H. R. 15589) for the relief of Marie Patton; to the Committee on Claims.

By Mr. GREENE of Vermont: A bill (H. R. 15590) granting a pension to Ellen L. Barnes; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 15591) for the relief of the American Alliance Insurance Co.; to the Committee on Claims.

By Mr. HAUGEN: A bill (H. R. 15592) granting a pension to Jane E. Kernan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15593) granting a pension to James T. Farrill; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 15594) for the relief of William Weber; to the Committee on War Claims.

By Mr. KINKAID: A bill (H. R. 15595) for the relief of Herbert Broadhurst; to the Committee on Claims.

By Mr. MUDD: A bill (H. R. 15596) granting an increase of pension to Harriet E. Dennison; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 15597) granting a pension to Mary M. Whitford; to the Committee on Pensions.

Also, a bill (H. R. 15598) granting a pension to Alexander B. Murphy; to the Committee on Pensions.

By Mr. WINSLOW: A bill (H. R. 15599) granting an increase of pension to Antoine Tisdelle; to the Committee on Pensions.

Also, a bill (H. R. 15600) granting a pension to Alberto Murray; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4856. By Mr. COLE: Petition of Farmers' Organization of Green Camp Township, Marion, Ohio, urging the defeat of the Ralston-Nolan bill and favoring the truth in fabrics measure; to the Committee on Ways and Means.

4857. By Mr. DYER: Petition of L. C. Marquardt, department of public safety, St. Louis, Mo., favoring the Smith-Towner bill; to the Committee on Education.

4858. Also, petition of William S. Thompson, St. Louis, Mo., favoring the Smith-Towner bill; to the Committee on Education.

4859. Also, petition of Irving National Bank, New York, protesting against the proposed bill to eliminate speculation in grain; to the Committee on Ways and Means.

4860. Also, petition of H. F. Musgrove, 4410 Delor Street, St. Louis, Mo., favoring the Smith-Towner bill; to the Committee on Education.

4861. Also, petition of Blanke Wenneker Candy Co., St. Louis, Mo., protesting against the excise tax on candy; to the Committee on Ways and Means.

4862. Also, petition of Wallace W. Warner, St. Louis, Mo., favoring the Smith-Towner bill; to the Committee on Education.

4863. By Mr. ESCH: Petition of American Association of State Highway Officials, Washington, D. C., urging the passage of House bill 14905, known as the McArthur bill; to the Committee on Appropriations.

4864. By Mr. FULLER: Petition of the National Sheep and Wool Bureau of America, favoring the passage of the French-Capper truth-in-fabric bill (S. 3686 and H. R. 11641); to the Committee on Interstate and Foreign Commerce.

4865. By Mr. JOHNSTON of New York: Petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring a national budget system; to the Committee on Budget.

4866. By Mr. LUCE: Petition of board of directors of the New Hampshire Daughters' Club, of Boston, urging protection of national parks; to the Committee on the Public Lands.

4867. By Mr. O'CONNELL: Petition of American Association of State Highway Officials, Richmond, Va., favoring the passage of the McArthur bill (H. R. 14905); to the Committee on Roads.

4868. Also, petition of the Merchants' Association of New York, favoring the passage of the daylight saving law (H. R. 11390); to the Committee on Interstate and Foreign Commerce.

4869. By Mr. RIDDICK: Petition of Judith Basin County Bankers' Association, of Stanford, Mont., favoring Government control of grain exchanges; to the Committee on Ways and Means.

4870. Also, petition of farmers of Fergus County, Mont., urging legislation restricting gambling in grains; to the Committee on Ways and Means.

4871. By Mr. SNELL: Petition of common council of the city of Ogdensburg, N. Y., approving of improvement of the St. Lawrence River; to the Committee on Interstate and Foreign Commerce.

4872. By Mr. TEMPLE: Petition of League of Women Voters of Lawrence County, New Castle, Pa., favoring the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4873. By Mr. YATES: Petition of Mrs. Frances K. Hutchinson, 2709 Prairie Avenue, Chicago, Ill., in re legislation pertaining to national parks; to the Committee on Water Power.

4874. Also, petition of G. Dougherty, 519 Fullerton Parkway, Chicago, Ill., in re legislation pertaining to national parks; to the Committee on Water Power.

4875. Also, petition of Miss Ida May Joseph, 4218 Calumet Avenue, Chicago, Ill., in re legislation pertaining to national parks; to the Committee on Water Power.

4876. Also, petition of H. B. Vanzwoll, Union League Club, Chicago, Ill., in re legislation pertaining to national parks; to the Committee on Water Power.

4877. Also, petition of Mr. Charles L. Boone, Prairie Club, 1541 Monadnock Block, Chicago, Ill., in re legislation pertaining to national parks; to the Committee on Water Power.

4878. Also, petition of Mrs. Otis M. Smith, 610 Fullerton Parkway, Chicago, Ill., in re legislation pertaining to national parks; to the Committee on Water Power.

4879. Also, petition of Margaret M. Mathews, Chicago, Ill., and John W. Duncan, protesting against granting of water-power rights in national parks; to the Committee on Water Power.

4880. By Mr. ZIHLMAN: Petition of the Women's Club of Chevy Chase, Md., favoring the passage of the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4881. Also, petition of Golden Rules Council, Sons and Daughters of Liberty, of Maryland, favoring a bill to restrict all immigration for a period of two years; to the Committee on Immigration and Naturalization.

SENATE.

SATURDAY, January 8, 1921.

(Legislative day of Thursday, January 6, 1921.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The unfinished business, Senate bill 3390, is before the Senate.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll. The reading clerk called the roll, and the following Senators answered to their names:

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|------------|-----------------|--------------|--------------|
| Ball | Heflin | New | Smoot |
| Calder | Johnson, Calif. | Nugent | Sutherland |
| Capper | Jones, Wash. | Overman | Thomas |
| Culberson | Kellogg | Phippa | Townsend |
| Curtis | Kenyon | Pittman | Trammell |
| Dillingham | King | Pol Dexter | Underwood |
| Gerry | La Follette | Robinson | Wadsworth |
| Glass | Lenroot | Sheppard | Walsh, Mass. |
| Gore | McKellar | Simmons | Walsh, Mont. |
| Gronna | McNary | Smith, Md. | Warren |
| Harris | Nelson | Smith, S. C. | |

Mr. McKELLAR. I wish to announce the unavoidable absence of the Senator from Georgia [Mr. SMITH], the Senator from Connecticut [Mr. McLEAN], the Senator from Nevada [Mr. HENRIKSON], the Senator from Nebraska [Mr. HITCHCOCK], the Senator from Florida [Mr. FLETCHER], the Senator from New Hampshire [Mr. KEYES], the Senator from Louisiana [Mr. RANSDELL], and the Senator from Ohio [Mr. POMERENE], who are absent on official business.

Mr. GERRY. I desire to announce the absence of the Senator from South Dakota [Mr. JOHNSON] and the Senator from Oregon [Mr. CHAMBERLAIN] on account of illness.

I also desire to announce that the Senator from Wyoming [Mr. KENDRICK] and the Senator from Tennessee [Mr. SHIELDS] are necessarily absent.

Mr. GORE. I wish to announce that the Senator from Missouri [Mr. REED] is absent from the Senate to-day, as he was yesterday, by reason of illness.

The PRESIDING OFFICER (Mr. PHIPPS in the chair). Forty-three Senators having answered to their names, there is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of absent Senators, and Mr. BECKHAM and Mr. COLT answered to their names when called.

Mr. FRANCE, Mr. JONES of New Mexico, Mr. WILLIAMS, Mr. McCUMBER, Mr. FRELINGHUYSEN, and Mr. BORAH entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. There is a quorum present.

PETITIONS.

Mr. TOWNSEND presented a resolution adopted by the executive committee of the Jackson County (Mich.) Farm Bureau, favoring the so-called truth in fabric bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry veterans of the Michigan Soldiers' Home, of Grand Rapids, Mich., who served in the Army, Navy, or Marine Corps of the United States during the War with Spain, in the China relief expedition, and in the Philippine insurrection, praying for the enactment of legislation for the relief of soldiers, sailors, and Army nurses of the War with Spain, etc., which was referred to the Committee on Pensions.

DISTRICT OF COLUMBIA APPROPRIATIONS.

Mr. CURTIS. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 15130) making appropriations to provide for the expenses of the Government of the District of Columbia for the fiscal year ending June 30, 1922, and for other purposes, and I submit a report (No. 677) thereon. I give notice that I shall call the bill up for consideration at the first opportunity.

The PRESIDING OFFICER. The bill will be placed on the calendar.

INTERFERENCE WITH COMMERCE.

Mr. LA FOLLETTE. Mr. President, I desire to give notice that, if the business of the Senate permits, on Monday next, the 10th of January, I shall ask the Senate to consider the pending motion to reconsider the vote by which the bill (S. 4204) to prohibit interference with commerce was passed by the Senate on the 16th day of December last.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GORE:

A bill (S. 4806) amending subdivision B of section 250 of the revenue act of 1918; to the Committee on Finance.

By Mr. NELSON:

A bill (S. 4807) to amend the Judicial Code; and

A bill (S. 4808) to amend the Judicial Code; to the Committee on the Judiciary.

By Mr. ASHURST:

A bill (S. 4809) granting a pension to Frank Hall; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4810) providing for the election of Delegates to the House of Representatives from the District of Columbia, Commissioners of the District of Columbia, a Public Utilities Commission, a Board of Education, and for other purposes; to the Committee on the District of Columbia.

By Mr. FRANCE:

A joint resolution (S. J. Res. 240) authorizing the Secretary of the Navy to receive for instruction at the United States Naval Academy, at Annapolis, Prince George d'Obolensky, a subject of Russia; to the Committee on Naval Affairs.

By Mr. NEW:

A joint resolution (S. J. Res. 241) to provide for the maintenance of public order and the protection of life and property, authorizing the granting of permits to the Committee on Inaugural Ceremonies, on the occasion of the inauguration of the President elect on March 4, 1921, and so forth; to the Committee on the District of Columbia.

By Mr. LA FOLLETTE:

A joint resolution (S. J. Res. 242) restraining all further steps looking to allotment of lands within the Bad River Indian Reservation in the State of Wisconsin until further revision of the tribal roll; to the Committee on Indian Affairs.

AMENDMENT TO EMERGENCY TARIFF BILL.

Mr. JONES of Washington submitted an amendment intended to be proposed by him to the bill (H. R. 15275) imposing temporary duties upon certain agricultural products to meet emergencies, to provide revenue, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

FORCIBLE ENTRY AND DETAINER.

Mr. FRANCE submitted an amendment intended to be proposed by him to the bill (S. 4746) to amend an act entitled "An act to establish a code of law for the District of Columbia, approved March 3, 1901, and the acts amendatory thereof and supplementary thereto, in relation to forcible entry and detainer," which was ordered to lie on the table and be printed.

ATMOSPHERIC NITROGEN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes.

Mr. LENROOT. Mr. President, with regard to the pending bill, I wish to occupy some time. In the first place, I will say that I very much doubt whether there are many Members of the Senate who know that while the bill pretends to be a measure in the interest of the farmer, while it is said to be one which will result in the manufacture of fertilizer at a reasonable price to the farmer, I doubt whether there are many Senators who have not carefully studied the bill who know that the fact is that there is nothing in the bill that requires the manufacture of one single pound of fertilizer by the proposed Government corporation; that there is nothing in the bill that requires the sale of the fertilizer manufactured by the Government corporation to the users. The bill confers such powers upon the proposed corporation that, with the consent of the Secretary of War, it may never turn a wheel; it may lease the plant for a hundred or a thousand years, if it sees fit to do so, to any one of the members of the fertilizer trust, of which we have heard so much in this debate. There is nothing in the bill that offers any protection to the farmer or any assurance that the farmer will receive one penny of benefit from it if it shall be passed in its present form. Before I get through I shall attempt to demonstrate the correctness of the statement which I have made.

The history of this Muscle Shoals project is an interesting one. It has extended over a good many years, and is familiar to the older Members of the Senate. When I first came to Congress, some 12 years ago, the development of Muscle Shoals at the expense of the Government, at the behest of special private interests, was one of the earliest proposals that attracted my attention, and the project has been advocated through all the years since then. Scarcely a session of Congress has gone by without these special interests being at the doors of Congress asking for the appropriation of millions of dollars for the development of Muscle Shoals for their benefit.

It may, perhaps, not be improper to state, and it may be interesting to know, that while in this debate we hear much about the fertilizer trust, so called, and of condemnation of the American Cyanamid Co., of which Mr. Washburn is the president, in 1915 an attempt was made to get the Government to appropriate some \$18,000,000 for the improvement of Muscle Shoals and to lease it to the same American Cyanamid Co., the so-called fertilizer trust; and that every member of the Alabama delegation, including both of my distinguished friends, the present Senators from Alabama, who then were Members of the House of Representatives, supported that proposition. So, Mr. President, I may be pardoned if I do not attach quite so much weight to the attacks of my good friend, the junior Senator from Alabama [Mr. HEFLIN], upon the fertilizer trust, when I can remember that only a few years ago he was seeking to have one of the largest members of this so-called trust secure a hundred-year lease of this same water power.

In that connection, Mr. President, it is interesting to note that a Mr. Worthington, whom I do not think I ever had the pleasure of meeting, but who was stationed here for many years in the effort to get this legislation through, and for aught I know may still be here, after he had failed in the proposition he had tried to get through, turned to the manufac-

ture of nitrates, of fertilizer, as an inducement to secure the enactment of this proposed legislation. In support of that statement I will read merely a paragraph from the report of the Graham committee, which has been referred to a number of times in this debate, quoting from Mr. Worthington's testimony. After detailing the failure to secure the legislation he was here trying to secure, he said:

I then decided that the only hope for the development of the great possibilities of Muscle Shoals, and at other points on the Tennessee River, would probably be that Congress would have to decide—or the Government would have to decide, certainly so if we went into the war—upon some plan of providing the country with the needed supply of nitrogen.

So from that time on, Mr. President, the efforts of these special interests seeking to secure this great benefit to themselves were shifted from the water power; it was fertilizer that we heard from beginning to end and that we are hearing in this debate.

The American Cyanamid Co. controlled at that time the Alabama Power Co. Up to 1916 Messrs. Washburn and Worthington were the men who were always actively trying to get Congress to appropriate money for this purpose, with themselves to be the beneficiaries, but in the national defense act of 1916 the Senator from South Carolina [Mr. SMITH] had incorporated a provision in section 124 of that act which caused these gentlemen immediately to lose all interest in this proposition. That provision was to the effect that under the \$20,000,000 appropriated for the purpose of securing a nitrate plant in order to furnish explosives for the Government in time of war and fertilizer in time of peace the Government should not enter into cooperation with any corporation or private industry in the development and operation of the water power. Thereupon immediately our friends, Washburn and Worthington, lost all interest, although in the testimony of Mr. Washburn in the hearings on this bill he claims credit for bringing about the passage of section 124 of the national defense act of 1916. His proposition then—he was open and above board about it; everybody knew it at the time, and I was surprised to hear some Senators upon the other side of the aisle say they never heard of it—was that the Government should expend \$20,000,000, the American Cyanamid Co. should spend \$24,000,000, and the American Cyanamid Co. should have the benefit of the water power under lease; but the paragraph to which I have referred prevented that, and then the American Cyanamid Co. lost all interest in it. I rather imagine, Mr. President, that one reason perhaps why this measure has not been so carefully scanned by the members of the Agricultural Committee as otherwise it might have been is that while in the past the American Cyanamid Co., represented by Mr. Washburn, have been urging the passage of legislation of this character, we find them at this time opposing the passage of the bill, and therefore the very natural assumption, perhaps, follows that, inasmuch as the same people who had been trying to get this measure through in the past are now fighting it, therefore, it must be a good bill. However, it is worth noting that back in those days the American Cyanamid Co. controlled the Alabama Power Co., which was in turn controlled by the Alabama Traction, Light & Power Co. (Ltd.). While there is no positive evidence upon it, it is fair to assume from the testimony that we now have that Mr. Washburn and the American Cyanamid Co. have in some way or other lost control of the Alabama Power Co. Mr. Washburn is no longer president of that company. He testifies that he is no longer actively connected with it in any way, and, therefore, it is fair to assume that the Alabama Power Co. is now controlled by interests other than the American Cyanamid Co. If that be true, it could very readily explain Mr. Washburn's present opposition to this bill; but it does not follow that the Alabama Power Co. is not to be the beneficiary of this legislation, as it has always been supposed to be the beneficiary of legislation proposed along this line.

Mr. UNDERWOOD. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. NEW in the chair). Does the Senator from Wisconsin yield to the Senator from Alabama?

Mr. LENROOT. I do.

Mr. UNDERWOOD. I have no interest in the Alabama Power Co., but I have followed this proposed legislation, and, so far as I know and am informed, the Alabama Power Co. has no interest whatever in building the dam at Muscle Shoals or in the plant there. The Alabama Power Co. is a corporation which operates in my State and sells power to the people of my home city and of some other cities. I have never seen anything in the Record or outside of the Record to show that they are interested in any way whatever, financially or otherwise, in the development of Muscle Shoals or in the operation

of the plant there. If the Senator's statement is based on facts, I hope that he will give the Senate the benefit of the facts and not indulge in speculation or theory which may possibly lead to a misconstruction of this proposition and inculcate the idea that some private interest wants to operate the plant and pursue its development. I know of no such interest and have never known of any. So far as I know, the Alabama Power Co. has never taken any interest in this bill, either for or against it.

I hope the Senator will not leave in the Record an assumption of this kind without stating the facts—real facts, not theories—on which to base it, because I will say candidly I do not know, and I have never heard of, anything that indicated any possible interest of the Alabama Power Co. in the Government operating the plant at Muscle Shoals. The only interest they ever had was that at one time they owned the banks at Muscle Shoals, and when the Government concluded to build the dam at Muscle Shoals they sold the dam site to the Government on the same basis that all other owners of land that were selling to the Government sold their lands; and when they sold and conveyed their title to the banks of the river the only connection they had with this plant passed out.

I hope the Senator from Wisconsin will do what I think is the fair thing. If there is anything to connect any other interest, especially an Alabama interest, with this development, outside of the general public interest, I sincerely hope he will put it in the Record.

Mr. LENROOT. I want to say to the Senator that I propose, before I get through, to give to the Senate exactly what I base my conclusions upon, and then it will be for each Senator to determine for himself the facts of the matter.

Mr. UNDERWOOD. But I ask the Senator to give facts, not theories, not suppositions.

Mr. LENROOT. I will say to the Senator that I will discuss this matter in my own way.

Mr. UNDERWOOD. I am appealing to the Senator, if he has facts to base his statements on, to put them in the Record.

Mr. LENROOT. One fact appears in the bill itself, if I may say so to the Senator from Alabama, because one of the things that are authorized to be acquired in the bill is the electric-power unit on the Warrior River of the Alabama Power Co., and I shall have something to say—

Mr. UNDERWOOD. Well, now—

Mr. LENROOT. I want to finish this statement myself. I shall have something to say about the relations of the Alabama Power Co. to the Government in this very project before I get through.

Mr. UNDERWOOD. I am sure the Senator wants to be fair about this matter, and I am sure that if the statement were left as he has just made it, with nothing else said, it would mislead the Senate, and the Senator himself may be misled about the situation. The unit that is referred to in this bill does not belong to the Alabama Power Co.

Mr. LENROOT. Oh, I am going into that. The Senator need not discuss that in my time. I assure him that I shall give all the facts.

Mr. UNDERWOOD. It belongs to the Government. It was built for the Government.

Mr. LENROOT. I do not yield for that purpose, Mr. President.

Mr. UNDERWOOD. The only connection the Alabama Power Co. had with it is that it built the unit for the Government during the war.

Mr. LENROOT. I shall go into that fully, and the facts will be stated before I conclude.

As to the Alabama Power Co. being a beneficiary of this legislation, I have stated that the Alabama Power Co. does not appear anywhere in connection with this legislation, either for or against it. The American Cyanamid Co. does. Mr. Worthington, whenever legislation affecting Muscle Shoals was before Congress, was always very much in evidence. So far as I know, he is not to-day; for if I were to advise the Alabama Power Co. as to their proper attitude if they wanted this legislation put through, in view of the history of the past 12 years, I should advise the representatives of the Alabama Power Co. to keep away from the Capitol at Washington and have nothing to do or say about this bill.

What are the facts with reference to whether the Alabama Power Co. will be a beneficiary of this law?

Mr. President, we find two departments of the Government in this testimony, both urging the completion of the dam at Muscle Shoals. What that is going to cost I shall discuss a little later. We find one department urging at great length in this testimony that the only use for that water power will be for this fertilizer plant that has been erected by the Government. It has gone to great length in attempting to show that

there will be no market for the water power at the Muscle Shoals Dam. On the other hand, the Board of Engineers takes exactly the contrary position—that the advantage to come from the development of the Muscle Shoals Dam will not be in the fertilizer but will be in the sale of water power; and to whom will this water power be sold if it is developed at Muscle Shoals?

It is testified here that if the Government should complete this dam and undertake to distribute the power to users, it would cost \$29,000,000 in addition to the estimate. It is stated, without mentioning the Alabama Power Co., that there are other corporations that would purchase this power, and one of them, and I think my friend from Alabama will admit the most prominent one, is the Alabama Power Co. Being the only purchaser unless Congress shall make an additional appropriation of \$29,000,000, that power, if we once complete this dam at this expense, must be sold to the Alabama Power Co. at such price as it may see fit to pay, or go to waste.

Mr. UNDERWOOD. Mr. President, the Senator has brought in my name, and therefore I will interrupt him again, though I do not want to interrupt his argument, as he is not giving us the facts on which to base it; but I want to say that my conclusions are just the contrary from his. If this power is sold, I do not think it will go to the Alabama Power Co., which operates in Alabama. If it is distributed it will go to industrial plants, and not to lighting and street car plants. It will go to Chattanooga, Memphis, Nashville, and Birmingham, which lie within a radius of 100 or 120 miles around the plant; and I think the Government would be very foolish to contract this power to any one corporation. I know of no reason why they should, nor do I know of any expectation that they would do so.

That is my conclusion about it. I live in the State, and know something about the facts. I do not think there is a word to base the Senator's suggestion on except a theory of his own. So far as I know, since the Alabama Power Co. sold the dam site at Muscle Shoals they have had no interest in this proposition.

Mr. KELLOGG. Mr. President, will the Senator from Wisconsin permit me to ask the Senator from Alabama a question?

Mr. LENROOT. Yes.

Mr. KELLOGG. Does the Senator from Alabama approve of the principle of the Government building dams and selling power to anybody?

Mr. UNDERWOOD. I will say to the Senator that if it were merely a question of the Government going into private business, I would not. As to building dams generally for the purpose of developing water power, I am not sure that I am not in favor of that proposition—not in relation to Muscle Shoals, because that is a different proposition. I regard Muscle Shoals and the development there as purely a war power, to be held for a war emergency; but as to whether we should continue in the future to let these great dams that are available for the benefit of industry and the people of this country always continue to go into private hands, or, in the development of our river and harbor work for the purpose of making our rivers navigable, whether it would not be a wise policy for the Government itself instead of building a nonpower dam to build a dam that would provide hydraulic power and then dispose of the electricity coming from that dam to carry out a Government purpose for the benefit of the people of the United States where the Government can control it. I am not sure that the future will not lead in that direction.

Mr. KELLOGG. The Senator means where the dam is necessary to improve navigation of the river?

Mr. UNDERWOOD. That is true. I am not talking, of course, about nonnavigable streams. I do not know whether the Government would have the power—I doubt it—to invade nonnavigable streams; but undoubtedly the Government has the power and it is a proper exercise of the power for the Government to make a stream navigable by building a dam, and if it can build a hydraulic-power dam instead of a low-water dam, and at the same time get back the money in the sale of its power, I am rather inclined to think it is a proper exercise of a Government function.

Mr. KELLOGG. I am not talking about powers of that kind. I am talking about the Government building dams simply to create power to sell to private concerns.

Mr. UNDERWOOD. Oh, well, if that is all that is involved in it, I agree with the Senator; but of course that is not involved in this case.

Mr. LENROOT. Mr. President, it so happens that I have before me a report of one of the officers of the Government appearing in the hearings as to the effect of this legislation upon the Alabama Power Co. and all other companies if this power is to be sold commercially in that territory, and I want to read it.

Mr. KELLOGG. What page does the Senator read from?

Mr. LENROOT. Page 86, the report of George J. Roberts. He says:

Shall this power be sold to large consumers or sold to the general public, including house lighting? If to large consumers, the distribution system in the cities, presuming the usual amount of underground conduits were installed, would probably cost \$50 per kilowatt capacity, or \$7,500,000, and if to the general public, \$140 per kilowatt capacity, or \$21,000,000. Therefore, before we begin the distribution of power, we will have expended, if to only large consumers, \$15,700,000; if to the general public, \$29,200,000; in either case a sum larger than that asked for by the bill which you are now considering.

As I read section 124 of the national defense act, the Government must operate this hydroelectric plant and sell the current to the ultimate consumer. It is prohibited from selling to any of the existing electric-power companies. It is realized that Congress may, by enactment, relieve the situation and permit either the lease of the hydroelectric plant to private interest or the sale of the current wholesale to private interest. If such legislation should be enacted the additional machinery, transmission lines, step-up and step-down transformer stations would have to be built either by the Government or by the leasing company, and the lease rental that the Government would be justified in accepting would be the profit that could be made by the operation of the hydroelectric plant in conjunction with the nitrogen-fixation plants, or \$2,751,300.

With the working-day becoming shorter and shorter and the Saturday half holiday becoming more common, due to the demands of labor, and assuming that this power would all be sold to industries which would not be in operation Sundays and holidays, the sales from this plant, supplemented by the steam-power plant, would be 450,000,000 kilowatt hours per annum, and 50,000,000 kilowatt hours of the above would have to be produced by the steam plant. Assuming the cost of operation of the hydroelectric plant at three-fourths of a mill per kilowatt hour, the figure used in our estimates of fertilizer costs, and the cost of current generated by the steam plant at 9 mills per kilowatt hour, due to its intermittent operation and small production, and assuming interest, depreciation, and taxes on the substation and transmission lines at 12 per cent and on the hydroelectric units at 8½ per cent, we find that the total cost of production of current per kilowatt hour is 0.464 of a cent and the rental of \$2,751,300 means 0.611 of a cent, or a total cost to the lessor of 1.075 cents per kilowatt hour, while the cost of operating to the power company operating its own plants, including interest, depreciation, and taxes, would not exceed 0.7 of a cent per kilowatt hour. It must not be overlooked that the power companies operating in these communities can build their plants near their distribution centers, and \$8,200,000 would go a long way toward their construction, and they would own the plants, whereas if they leased this plant from the Government they would have to make this \$8,200,000 investment, which is useless except in conjunction with the Government plant, and pay a rental of 0.611 of a cent per kilowatt hour. The outstanding feature here is that if current is sold in bulk to an existing power company the rental of 0.611 of a cent is so large that this power could only be purchased by the power companies as a defensive measure.

If this energy were disposed of to the ultimate consumer, it would displace power stations of the various companies who are now serving their communities and would destroy the value of these companies' power plants, whose replacement cost at present prices would be not less than \$100 per kilowatt, or \$15,000,000. It would displace \$7,500,000 of their distribution system and make it useless. This means that it would make power plants idle whose present reproductive value is \$15,000,000 and make distribution systems idle worth \$7,500,000 without serving any useful purpose, since these plants are now serving their communities efficiently and cheaply. It would have a very serious effect on the development of utilities throughout the South and would seriously injure the credit of the companies who for the past 25 years have been building up large power companies for the development of manufacturing throughout the South.

If these power plants are not used to manufacture nitrates they will have to be operated as commercial power plants. Shall we destroy industry or promote it?

This bill authorizes the sale of all of the power created by this dam in any way the corporation may see fit to sell it. Does anyone suppose that if the Alabama Power Co. were threatened with ruin, as Mr. Roberts states they would be if this power were sold, the Alabama Power Co. would not be fighting this bill? On the other hand, knowing that it would require an additional appropriation of \$29,000,000 from the Government, in addition to this vast appropriation which will still be required, as intelligent and sane men the Alabama Power Co. know that after the Government has completed this dam and generated the power they will be the customer, and they will fix the price, exactly as they did in the present fertilizer plant, which I shall have occasion to refer to later on.

The Senator from Alabama has the premises upon which I make my statement that the Alabama Power Co. is interested. There can be but one conclusion, it seems to me, in the face of this threatened destruction, that they are not in anywise opposing it.

Mr. UNDERWOOD. If the Senator will yield, of course, I have no doubt that the Senator is himself convinced, but after he has reached his conclusions on the fact he has brought it down to the proposition that because the great bulk of the wires which now extend over Alabama are controlled by the Alabama Power Co., necessarily they must buy the power of this Government plant at their own price. That is the only thing he has given to connect the corporation there with this power. The Senator overlooks the fact that the Alabama Power Co.'s business is largely the question of lighting towns and running street cars, and that this great volume of power which is to be consumed must be consumed in industry.

The Senator says that this officer, Mr. Roberts, has reported that it would require a wiring system to the extent of \$29,-

000,000 to consume the output of this plant, if it were all absorbed in this territory. But that does not include Alabama alone. It includes a vast territory. He may be in entire error. It may be possible to sell this Government power at the face of that dam to men who will build their own lines. But in my judgment, Mr. President, if the Alabama Power Co. had any interest in this proposition it would be rather in fear of a competitor than it would be concerned with an expectation of getting power. More than that, I think the great bulk of this power should ultimately be used to benefit the agricultural classes of the country, the farmers, and that is what I have been fighting for in connection with this bill, outside of its use to make powder for the Government. But if it has any surplus power to sell, I assume that the officers who will be appointed by the administration to which the Senator belongs will be honest men, and that they will sell the power most advantageously to the Government, and not to the advantage of any special interest.

Mr. LENROOT. Now, I want to ask the Senator a question. If Mr. Roberts's statement is true, that after we complete this dam it will require, if we are going to distribute the power and sell to other than present large users, \$29,000,000 more, what is the Government going to do with the power when it is completed?

Mr. UNDERWOOD. I do not take Mr. Roberts's statement as absolutely correct. I have not investigated it, but I assume that if the Government did find it advisable to spend one or twenty-nine million dollars to sell this power, it would sell it to somebody for enough to pay the Government back what it expended.

I ask the Senator this question: If the pending bill becomes a law, this corporation is organized, and the dam is built, and after the use of so much of the power as is necessary to run the nitrate plant either for powder or fertilizer there is a surplus power, would the Senator be in favor of letting the power go over the dam or selling it, so that the Government could be reimbursed?

Mr. LENROOT. If that were done, and this surplus power amounted to 200,000 horsepower or 100,000 over that utilized by the nitrate establishment, if it were utilized, I would be in favor of getting what we could as a business proposition for that excess power.

Mr. UNDERWOOD. I agree with the Senator on that thoroughly.

Mr. LENROOT. Then, if it became a proposition of getting what we could, even though it would be one-half of what would be a proper price, there being only one customer for it, or appropriating \$29,000,000 more, coming in competition with industries which were already furnishing power, I as a business man, and the Senator from Alabama as a business man, would decline to appropriate the \$29,000,000. The Senator would say, let us give it to the Alabama Power Co. for what it is willing to pay.

Mr. UNDERWOOD. No; not at all. I know more about that situation than the Senator does. I do not think that the Alabama Power Co., if that power is to be sold, would by any means be the only competitor or the principal competitor for it. I know the great development of industry in the district in which I reside is now rapidly being based on the use of electricity, and I know that there would be ample sale for this power, if there is any surplus power, entirely independent of the Alabama Power Co. or any other particular corporation. If this board of directors is appointed by the next administration, I am going to assume that they will be honest men and will take care of the Government's interest and not operate the plant as a favor to any special interest.

As to the sale of the power, I think there probably will be less demand from the Alabama Power Co. for this surplus power than from anybody else, because the Alabama Power Co. has a great dam on the Coosa River now, and the Alabama Power Co. has a 40-horsepower unit next to the Government 40-horsepower unit on the Warrior River. That is owned by them, and the Government has nothing to do with it, and it has nothing to do with the Government unit.

Mr. LENROOT. The Senator does not mean that the Alabama Power Co. has nothing to do with the Government unit?

Mr. UNDERWOOD. It built it, but it has no control over it.

Mr. LENROOT. It happens to own the ground on which it is located, does it not?

Mr. UNDERWOOD. It built it at the Government's request during the war. The Government can do with it what it wants.

Mr. LENROOT. Yes; it can tear it down.

Mr. UNDERWOOD. I do not know about the title to the land, but the Government can condemn that land in an hour if it wants, and operate its plant, which it should do. I do

not know whether the Government acquired the title or not. I have always assumed that it did. But if it did not, it can acquire that title by condemnation under existing law, and it ought to do it.

But, more than that, what I was leading up to, the Alabama Power Co. now has an application pending here before the new Water Power Board, and is attempting to get the right to build a dam at Duncans, on the Coosa River, to supply them with such additional power as they need, and it is prepared to go ahead with it. I certainly do not think that that indicates they are expecting to purchase power from Muscle Shoals, when they are preparing right now, if their application is agreed to, to build a dam of their own on the Coosa and to put their money in it.

I have no doubt the Senator is himself convinced that his theory is correct, but I do not believe, and I have never seen anything to indicate, that the Alabama Power Co. are expecting to get a particle of this power. Everything indicates that they are not; that they are going somewhere else to get their power. But I assume that if we have any surplus power this board will sell it in the interest of the Government, and I have no doubt in my own mind that there is going to be ample opportunity for the Government to sell the power to a good many interests.

Mr. LENROOT. Mr. President, there is not a word of testimony, and I have never heard any facts that would indicate, that there would be more than one buyer for the surplus power, and that is the Alabama Power Co. In this connection let us see what the Alabama Power Co., or the Alabama Traction, Light & Power Co., which owns the Alabama Power Co., does control. I read from Moody's Manual of this year:

The company owns or controls entire capital stock and bonds of the Alabama Power Co. and its subsidiaries—Alabama Interstate Power Co.; the Birmingham, Montgomery & Gulf Power Co.; the Muscle Shoals Hydroelectric Co.; Alabama Property Co.; the Alabama Power & Light Co.; Asbury Electric Power Co.; Selma Lighting Co.; Dixie Construction Co.; Winona Coal Co.; and Coosa Securities Co.

And its assets, as shown by its consolidated balance sheet of last year, were \$45,290,000.

It happens to be a corporation organized and having its principal office in Montreal, Canada, and it is currently reported that it is very largely British-owned.

The American Cyanamid Co. is here fighting this bill, because they take the position that the product of this fertilizer plant will come in competition with them, and therefore injure them. They are open and aboveboard about it. Mr. Roberts, an official of the United States Government, says that if we sell this water power it is going to ruin the Alabama Power Co.; yet the Alabama Power Co. sits quietly by and does not care a snap of a finger whether it is ruined or not, according to the Senator from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. The Senator from Wisconsin does not realize the situation in Alabama. What I said a while ago is true, so far as I know. The Alabama Power Co. has not put its finger on this proposition either for or against. What the Senator said about the organization of the Alabama Power Co. now being under British control is true, I think. The Alabama Power Co., like all public-service corporations in any State, is not overly popular at home. The people of Alabama are naturally intensely in favor of the building of this dam and the development of this fertilizer plant. The Alabama Power Co. operates its business, I think, entirely within the State of Alabama. If it were to appear here on the floor of the Senate, through its agents, in opposition to this bill, the reflection of its action going back to Alabama would create a sentiment that would be most disastrous to it. I do not know what their view of it is, but I can realize that no matter what they think about the bill, there is good reason why they should not stand in opposition to the development of Muscle Shoals.

Mr. LENROOT. Mr. President, self-preservation is the first law of nature; and that applies to corporations as well as to individuals. If the Alabama Power Co. feared that this water power was to be sold in competition with the Alabama Power Co., I think there would be some evidence of its opposition. Its enactment would not hurt it, in my judgment, and therefore it is in favor of the bill. I have given the facts, and every Senator can draw his own conclusions as well as I.

Mr. UNDERWOOD. If the Senator will allow me to interrupt him, I realize that; but I ask the Senator now if there is any word or line in this bill which would prevent the surplus power, if there were any, from being sold in competition with the Alabama Power Co.?

Mr. LENROOT. No; but it is going to require \$29,000,000 additional money to do it, according to the reports of the Government, and that we are not going to provide.

Mr. UNDERWOOD. I do not think it would do that. It would not require that amount of money to put it in competi-

tion with the Alabama Power Co., according to the Senator's own proposition. They have only \$45,000,000 and probably some of that is not reflected in the money that went into the corporation. In addition to their power lines they have great plants. They have a great dam on the Coosa River now, they have a great electrical plant on the Warrior River, all of which absorb this \$45,000,000, outside of their wiring lines, and, though I do not know, I think two or three million dollars would probably duplicate the wire lines of the Alabama Power Co. in Alabama. So if that were taken into consideration, it would not be a question of \$29,000,000; it would be a question probably of two or three million dollars and probably two or three hundred thousand dollars to carry this power to the vital points of consumption, like Birmingham. So I merely say that the Senator is entitled to his theory. I only point it out to show that I do not think there is a foot on which to rest the theory the Senator is advancing.

Mr. LENROOT. Mr. President, with reference to the assets of the company I wish to say to the Senator, and I am sure he will agree with me, that if the Government had built the property which the Alabama Power Co. now has, instead of it being carried as an asset account of \$45,000,000, it probably would have cost the Government \$145,000,000 or even \$200,000,000.

Mr. UNDERWOOD. If built during the war, but not before the war. Most of their plant was built before the war.

Mr. LENROOT. We hear a great deal about excessive costs due to the war, and I shall have something to say about that, because we will find before we get through that a very considerable percentage of the great cost of these nitrate plants was not due to the war but was due to certain officers in the War Department.

I wish very frankly to state my position with reference to the matter as a whole. We have on the one hand the claim made that we must pass the bill because we are getting the Muscle Shoals Dam, costing \$50,000,000, and this will be the only way in which we can utilize that power. On the other hand, we have another branch of the Government insisting that we must go on and complete the dam because there is a great field for power development and a splendid market for power.

We have this other very peculiar situation, that when the officers of the Government come to try to demonstrate a profit from the fertilizer plant under the bill they figure the power coming from the dam at a cost of three-quarters of a cent per kilowatt-hour, but when we come to the engineers endeavoring to demonstrate that the completion of the dam is a good proposition we find that, under instructions of the Secretary of War, instead of three-quarters of 1 cent per kilowatt-hour they fix a basis of 4 mills per kilowatt-hour, or more than five times as much when they try to show a profit for the dam as when they try to show a profit for the plant.

No one can deny that. It is in the record. It is not to be wondered when Senators try to go through the hearings and attempt to reach some conclusion that they feel that it is in a maze, and they do not know at what conclusions to arrive.

But we ought not to go on with the scheme, and that is the first proposition I wish to lay down, unless the Muscle Shoals Dam is to be completed. It is admitted by all that the fertilizer plant can not be run without a loss unless they have the water power. In this very bill it is proposed to devote \$3,000,000 of the \$12,500,000 appropriated for the purpose of taking care of losses in this very plant in the first three years of its operation. Losses will be necessary because of the high cost of steam power, it being estimated that it will make a difference of \$10 per ton in the cost of the fertilizer.

Can anyone say that if the Muscle Shoals Dam is not to be completed we should pass the bill? I think not. Very well, then, ought we not, as a business proposition, to postpone any further consideration of the bill until it is determined whether the Muscle Shoals Dam is to be completed?

Now, what is the situation with reference to that? In the national defense act of 1916 \$20,000,000 was appropriated to build and complete a nitrate plant for the purpose of furnishing explosives to the Government in time of war and fertilizer in time of peace. In February, 1918, more than a year after the passage of that act, the President allotted to the Muscle Shoals Dam project \$12,000,000 for the purpose of building the dam, out of other war appropriations, out of the lump-sum appropriation for armament and for fortifications of \$85,000,000, and this was expended for the two plants, No. 1 and No. 2, at Muscle Shoals, which are run by steam.

Nothing was done under that order of President Wilson of February 8, 1918, except to make some preliminary plans, until long after the signing of the armistice. Nothing was done under that authorization until the summer of 1919, and this is another illustration of the arrogance and autocracy of officials of the

War Department, and particularly the Secretary of War, in violating the spirit of laws and appropriations made by Congress. That was passed as a defensive measure. It was known at the time they spent the first money on the Muscle Shoals Dam that it could not be completed for twice the amount of the allotment that was made to it by President Wilson. The war was going on then when that order was made, and the President was justified in making the order.

After the armistice, after the occasion for the appropriation was gone, any official of the Government having any proper respect for the expenditure of money, instead of going in upon the proposition, would have come back to Congress for further authorization; when the immediate occasion of the passage of the act had gone, would have come to Congress for further authorization and advice, and would have permitted Congress, and not the Secretary of War, to fix the policy. That did not happen in this case.

The Secretary of War undertook to say that the Muscle Shoals Dam was needed for water-power purposes when the only legislation that existed prohibited the sale of water power, except for the Government manufacture of explosives and fertilizer. He did it at a time when he knew that the \$12,000,000 would only begin the work, and the only purpose in that was to spend so much money upon the proposition that Congress later would be forced, whether it wished to or no, to make whatever appropriation might be necessary to complete the dam, which is exactly what has happened here. The Secretary of War comes before us now and says unless we go on here we will lose \$7,000,000.

Mr. KING. Mr. President—

Mr. LENROOT. I yield to the Senator from Utah.

Mr. KING. Will the Senator develop also that feature of the testimony which is conformable to the fact that after the armistice, without, as I conceive, any authority whatever, the War Department, carrying out its autocratic and prussianized policy, went ahead and expended large sums of money on the plant?

Mr. LENROOT. It did. That is what I am speaking of now. What is Secretary Baker's testimony upon this point as justifying the expenditure? I read from page 348 of the hearings, where he said:

Now, we have already spent \$7,000,000 in the building of that dam. The dam was proper to be built, even if we never had a nitrate plant at Muscle Shoals. If there is one thing which this country must do, and do soon, it is to develop its water powers.

Then he goes on and makes an argument for water-power development, not for this fertilizer plant, but for the general industry, when under the law under which he acts, if the dam is completed, he would not have the right to sell one single horsepower for that purpose.

Then he goes on to say:

If we never had in contemplation the use of any nitrogen for either military or agricultural uses, the development of the water power at the Muscle Shoals Rapids would be a policy of national conservation and economy that only the Government is able to carry out and only large enough to carry out.

Mr. Baker must have known that that very proposition has been pending before Congress for more than 10 years, and Congress had refused up to that time to do the thing which he autocratically assumed the power to do, because, under the letter of the law, but in violation of the spirit, he had the legal right to do it. Then he goes on to say that it would be a good business proposition for the Government in any event.

I wish to say something about the fertilizer plant that we have and its location, not because I wish to bring up the wasteful expenditure for the purpose of showing it, not that, but because officers of the Ordnance Department, in carrying out the contract with the American Nitrates Corporation, were the really guilty parties in a very large percentage in this extravagance, and it is now proposed that officers very largely of the Ordnance Department shall become the directors of the same corporation.

It may be interesting to know in this connection that while the bill purports to be drawn by the War Department, it was in fact drawn under the direction of Mr. Glasgow. I have been trying to get some information concerning Mr. Glasgow, but it is really quite difficult.

The most that I can learn about him is that he is an American citizen, who resided in London before the war, and became a nitrate expert for Secretary Baker, without any information in any of the hearings as to what his qualifications were, though I assume that he had them; and just as soon as he had completed this proposition, even to the extent of suggesting who the directors should be in the corporation—very largely the same gentlemen who have testified in behalf of the bill before the Committee on Agriculture and Forestry—he suggested that he himself would be willing to become one of the directors of the corporation residing in London.

After giving his recommendations in great detail, he says:

24. I have sought advice in numerous quarters, and all of it strongly supports this conclusion in favor of incorporation. To check this conclusion, I have endeavored to sketch a supposititious order by the Secretary of War establishing the fixed-nitrogen administration as a departmental bureau to give effect to the anticipated congressional appropriations. I attach this draft marked "Exhibit A"; but I find myself quite incapable of producing any instrument which is a fit substitute for the accumulated experience of all past corporation management, as now reflected in corporation procedure. Briefly, it seems to me there is nothing to lose and everything to gain by the process of incorporation.

25. I have, therefore, retained Milton Elliott, counsel for the Federal Reserve Board since its inception until last spring, to draft the proposed bill which is presented herewith to your consideration; and I venture to ask you to make time for an immediate discussion of the points involved. I have to be urgent, because I am sailing for London November 1.

The report of the Graham committee shows just whom he did recommend to become directors of the corporation. Three of them were the chief witnesses before the Agricultural Committee on this bill.

In this connection, it may be worth while to note that there is a provision in the bill that officers of the War Department may become directors of the corporation, and the corporation can fix their salaries in addition to the remuneration which they receive as officers of the United States Government.

Mr. GRONNA. Mr. President—

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LENROOT. I yield.

Mr. GRONNA. I wish to ask the Senator if the testimony he has just recited was given before the Committee on Agriculture of the other House? The Senator stated that it was given before the Committee on Agriculture. I can not recollect that Mr. Glasgow ever appeared before our committee.

Mr. LENROOT. No; but the chairman of the committee will remember that Mr. Glasgow was constantly referred to by all the witnesses, and that his letter, from which I have just read, was put into the record; but there does not seem to be any information anywhere in the hearings as to who this eminent gentleman was.

Mr. GRONNA. I am not, of course, attempting even to intimate that what the Senator has recited is not correct, but I am here to state that Mr. Glasgow never appeared before the Committee on Agriculture of the Senate.

Mr. LENROOT. He did not. When I referred to recommendations that certain men who had appeared before the committee be made directors of the corporation, I was referring to officers of the Ordnance Department.

I have said that I wished to refer to the expenditures upon this plant, not for the purpose of giving publicity to the expenditures themselves but because officers of the Ordnance Department were responsible, in very large part at least, for those expenditures. As to the original contract, I take it that the Senate is familiar with that. Perhaps, if there are any who are not familiar with it I may state it in a word.

A contract was made with Air Nitrates Corporation to build these plants. They did build plants No. 1 and No. 2 at Muscle Shoals, and they partially completed plants No. 3 and No. 4 in Ohio. It is rather interesting to note the reason why they went to Ohio to start those plants, upon which they spent \$15,000,000. I wish to quote from the testimony of Col. Joyes before the War Expenditures Committee of the other House. When he was asked how he came to locate these plants where they were located, he said:

Col. JOYES. * * * While I liked very much the Kingsport site and thought perhaps the best thing to do, and the best thing we could do, was to go right up to Toledo and Cincinnati and build up there; and, furthermore, I don't mind saying to you that I mentioned to Mr. Stettinius that I thought it would not hurt anything to quiet some of the opposition that was coming from that neighborhood up here to anything that we were attempting to do down South; we could not afford to be handicapped by interruption of everyday business by the attacks that were made.

It so happened, Mr. President, that, perhaps, in the House of Representatives, the leading opponent of the Muscle Shoals project was Representative LONGWORTH, of Ohio. The testimony continues:

Mr. GRAHAM. You refer, I suppose, to the attacks of Congressman LONGWORTH?

Col. JOYES. Not particularly; no, sir. I do not refer to anybody as making attacks that were not advisable, or making attacks at all. But there were attacks of this and that and the other community, you know. The communities claimed that they had everything that goes to make up a plant site; and it takes time when you are busy, as we were at that time, to handle those matters, and it is desirable not to have those things come in.

Mr. GRAHAM. Congressman LONGWORTH was making statements in Congress on the Muscle Shoals plant?

Col. JOYES. Yes, sir.

Mr. GRAHAM. You had that in mind to some extent, I suppose?

Col. JOYES. Oh, yes; undoubtedly.

What is the inference, Mr. President? Can there be but one? As Mr. LONGWORTH had attacked the Muscle Shoals proposition because he believed it was against the interest of the Government and the public, they thought they would quiet his opposition by bribing him with the location of two plants in his own State. I am glad to say they did not accomplish their purpose. They spent \$15,000,000 on those two plants and they were abandoned, very properly, when they were but partially completed. However, as to plants No. 1 and No. 2 I wish to read a little from the report of the Graham committee. In that report the testimony is referred to.

Mr. WADSWORTH. Will the Senator give the page of the report from which he is about to read?

Mr. LENROOT. I shall now read from page 32 of the report.

However, I did not quite complete my statement in reference to the Air Nitrates Corporation. The American Cyanamid Co. undertook to furnish the "know how" to build plants 1, 2, 3, and 4 on a percentage basis; the fee not to exceed originally, I believe, a million dollars for the two plants, and afterwards expanded, I think, to a million and a half dollars for the four plants. The American Cyanamid Co. organized a corporation for the purpose of carrying on this work, the Government furnishing all the capital, with capital stock of \$1,000, the American Cyanamid Co. owning all of the capital stock. The American Cyanamid Co. owned the patents, and they made a contract for royalties and for operation when the plant should be completed. They furnished the "know how" under the supervision of officers of the Ordnance Department.

Large numbers of employees were on two pay rolls—

Remember, the Government paid every dollar of this—

Large numbers of employees were on two pay rolls, and drawing double compensation. (3212.) Skilled mechanics were used to shovel slack out of railroad cars. In order to make this employment last longer, it was shoveled upon the ground and then from the ground into other cars. This was done at skilled mechanics' wages. (3222.) At times from 500 to 700 carpenters would be idle for periods of a day or more, drawing full pay and overtime. (3277.) On one occasion 100 carpenters were put in a room 30 by 50 feet to construct it. There was hardly room for the workmen to all get into the room. (3279.) Men were paid for full time on the job, who did nothing for periods of two months or more. (3281.) Foremen applied for work for their men at times when there were ample materials and no work was furnished. (3287.) Large numbers of skilled carpenters were required to report for weeks on a job where there was nothing provided for them to do. (3289.) At one time, to provide Sunday work, 500 carpenters were detailed to build a platform 70 by 120 feet in size, and required to put in their time. So many men were thus employed that they were hardly able to keep out of each other's way. (3320.) On one occasion 200 skilled laborers were brought from Detroit and Flint, Mich., consisting of brick masons, millwrights, and other skilled trades. There was nothing for these men to do for fully two months, but they received pay, and overtime, all during that period. (3341.)

Quoting in each case the page of testimony:

Brick masons were employed in wheeling brick into a building for housing purposes. (3341.) An employee in one of the mess halls desired to have a small potato slicer connected up with the electrical current. He notified the proper official to send him an electrician. Seven electricians reported at 5 o'clock on Saturday evening. The motor was small—about 6 inches in diameter—requiring about 10 feet of wire to be laid to connect it up. The seven electricians worked from the time they came on Saturday until 5 o'clock on Sunday evening on connecting this motor. When it was turned on for test, having been wrongly connected, it burned out. These electricians received time and a half, and double time on Sunday. (3355.)

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I yield.

Mr. BORAH. Is the Senator reading from the testimony or from the report of the Graham committee?

Mr. LENROOT. I am reading from the report which gives the page of the testimony in each instance.

Mr. BORAH. Who were the officers who were responsible for those expenditures? The Senator says that they were officers of the War Department.

Mr. LENROOT. Yes, sir; they had supervision of this work. Mr. BORAH. Are they still officers?

Mr. LENROOT. So far as I know, Mr. President, they have been neither court-martialed nor discharged. Later on in the testimony it appears that in the Motor Transport Division complaint was made, and I think Insp. Gen. Chambers insisted upon the discharge of a certain officer. The testimony shows that the matter was taken up to Assistant Secretary of War Crowell, and he gave an excuse and declined to dismiss the officer.

Mr. BORAH. Where can I obtain the names of those officers?

Mr. LENROOT. In the testimony referred to in the report from which I have been quoting. There will be some worse things disclosed before I get through, I will say to the Senator.

Mr. BORAH. What the Senator has disclosed is bad enough.

Mr. LENROOT. I continue to read from the report:

On one occasion 20 skilled mechanics were employed 30 days unloading cars and wheeling concrete. The skilled labor rates were \$2.20 per day in excess of common-labor wage. There were three crews of men on this job, making an approximate excess of labor on this one job of \$3,960.

I am not going to read concerning many other similar circumstances, but there are pages and pages showing the same kind of transactions. I wish, however, to refer to one transaction which no one can claim grew out of the exigency of the war. I quote further from the Graham report, referring to plant No. 1 at Sheffield, Ala.:

The nitrates supply committee originally estimated that United States nitrate plant No. 1, at Sheffield, Ala., would cost \$3,000,000. (2651.) The complete cost of construction up to December 31, 1919, was \$12,689,676.99.

The most extraordinary and unjustifiable expenditure, in the judgment of the subcommittee, made at any of these nitrate plants was an item for housing at No. 1 plant aggregating \$1,852,259.99. Almost the first thing that was done in this plant, which was to be largely experimental—

I may say in passing that is all it was, because not a pound of nitrate or explosive has ever been turned out of it or can be turned out of it—

was to build a large number of the most permanent type of houses. One hundred and twelve houses were built altogether—25 of them for officers, 65 for civilians, and a number of other houses. These permanent houses are made of tile, with tile roofs, and of the most durable and costly construction. The officers' houses are grouped about a large circle of parked ground, most expensive walks and terraces, and cost from \$6,000 to \$19,000 each, according to the rank of the particular Ordnance officer who was to occupy them, a lieutenant's house to cost \$6,000 and a lieutenant colonel's house \$19,000, with further provisions to be made by building higher-priced houses if higher ranked officers were detailed there.

Mr. President, at a time when drives were being made for subscriptions to Liberty bonds, when the washerwoman was asked to subscribe and did subscribe for a \$50 bond, depriving herself of the necessities of life, if it had been known that the money was being used to build officers' houses costing \$19,000 apiece, what would have happened in this country?

Mr. KENYON. What rank officer was that?

Mr. LENROOT. A lieutenant colonel, \$19,000.

Mr. KENYON. What would it have cost if a general had been assigned down there?

Mr. LENROOT. This report says that further provision was made for more expensive houses if officers of higher rank did get there. I am referring to this, Mr. President, because it is proposed that Ordnance officers—because that is really what is back of it—shall become the directors of this corporation.

The civilians' houses were stuccoed and of the best type of construction and cost from \$6,000 to \$9,000 apiece. In order to make the Ordnance officers more comfortable a permanent clubhouse of the most durable construction, with 30 suites of rooms, each room having a bath, and with all sorts of reception rooms, was built at a cost of \$120,000.

Mr. KENYON. What was the date of the construction of that building?

Mr. LENROOT. This was in 1918, while the war was going on.

What I have been referring to is the No. 1 plant at Muscle Shoals, the experimental plant. Now, let us see what they did at the No. 2 plant, the one they expect to operate under this bill.

An industrial village was built in which there were 122 complete residences and 65 incomplete. These houses cost from \$2,500 to \$4,600 apiece, and are now occupied by employees of the Ordnance Department, or the Engineer Corps working on the Muscle Shoals Dam. They are substantial houses, built of frame or tile, with slate roofs and tile foundations. There were about 100 semipermanent houses and 300 Negro houses, and barracks sufficient to house 15,000. A clubhouse for officials, known as first quarters, was built at the extravagant and unwarranted cost of \$341,866.

Mr. KENYON. Is that another?

Mr. LENROOT. That is another clubhouse, at plant No. 2.

Mr. KENYON. How much did it cost?

Mr. LENROOT. Three hundred and forty-one thousand dollars.

Mr. KENYON. Something like \$500,000 was spent for clubhouses, then.

Mr. LENROOT (reading)—

A small building at the gate was built of the finest materials, finished splendidly, and cost probably \$10,000 to construct.

I am not going into this any further, Mr. President; but I say that it is pretty nearly time that we stopped all expenditures that are to be supervised or controlled by men who had any such ideas as were carried out in the construction of this plant; and even though the whole \$7,000,000 that has been expended on the Muscle Shoals Dam should be lost, we can well afford to lose it if we shall put the fear of Congress into the hearts of some of these officials.

Why, Mr. President, of course there should have been court-martials of some of these officers. We have had privates sentenced to 20 years' imprisonment who have been absent without leave, in some cases not excusably, but with very strong mitigating circumstances. They have been punished. No one is punished here.

Mr. GRONNA. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LENROOT. Yes.

Mr. GRONNA. The Senator is doing valuable service, as he always does, in calling attention to this matter, and I join him most heartily in condemning the waste and extravagance that was going on, not only during the building of this plant but during the building of other plants. The Senator will remember, however, that when it was attempted by some Members of this body and of the other to call attention to extravagance during the time of the war—and I am making this statement for the reason that the Senator asked what would have happened if it had been known by the people of the country that this tremendous waste was going on at the time—the Senator will remember that right here on this floor when Members of this body attempted to ask questions as to the expenditure of money they were immediately termed pro-German. The Senator knows the reason why none of these things were gone into.

Mr. LENROOT. I do; and, of course, Mr. President, at that time, while I think none of us dreamed of things as gross as these, we did know, of course, that there was waste; we did know that there was extravagance; but there was such necessity for unity of action while we were actually engaged in war that everyone, I think, much as he would have liked to speak and get information, closed his mouth, and did so because he believed that it was his patriotic duty to do so.

Mr. OVERMAN. Mr. President, are the names of these men known?

Mr. LENROOT. Yes, sir.

Mr. OVERMAN. Are they still in the employment of the Government?

Mr. LENROOT. I would not like to make that statement definitely, but I have found nothing anywhere that indicates that they are not in the employ of the Government. The only case I have found is where certain officers undertook to secure the dismissal of one of these officers, and Assistant Secretary of War Crowell refused to dismiss him.

This report from which I am reading is public property. Anyone can get the facts just exactly as I have done.

Again, I say, Mr. President, that if we are going to pass this legislation at all—and we should not pass it, very clearly, unless it is determined to complete the Muscle Shoals Dam—but if it is to be passed at all, and we ought to utilize this plant if the Muscle Shoals Dam is to be completed, in my judgment, in view of this record and this testimony, this legislation should make it clear that officers of the Ordnance Department shall not control this Government corporation.

Mr. WADSWORTH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LENROOT. I do.

Mr. WADSWORTH. The Senator will permit me to say that one of my amendments strikes out that provision of the bill.

Mr. LENROOT. Yes.

Now, Mr. President, I want to touch another subject, and that is the Alabama Power Co., reverting again for a few moments to that famous company.

The Alabama Power Co., while not to be seen even in the far horizon so far as visible presence is concerned in connection with this legislation, had a very important connection with the work that was done at this plant, and I want to read from the report of the committee on that subject. I shall read now from both the majority and the minority reports, because they both agree as to the holding up of this Government by the Alabama Power Co., perhaps in collusion with officers of the Ordnance Department, although as to that the committee does not agree.

About the time it was decided to build nitrate plant No. 2 at Muscle Shoals Mr. Frank S. Washburn, who was at that time a stockholder in the Alabama Power Co., got in conference with James Mitchell, who was president of that company, and from their office at 120 Broadway, New York City, the Alabama Power Co. communicated with Col. J. W. Jones—

Who is one of the principal proponents of this bill in the testimony—

of the Ordnance Department, proposing to build extensive additions to their plant on the Warrior River in Alabama, and furnish electric power to the Government at Muscle Shoals. In their letter of November

6, 1917, to Col. Joyes, the company proposed to supply 30,000 kilowatts after such station had been built if the Government would loan them \$2,250,000, this power to be furnished at 7 mills per kilowatt hour—

Seven mills per kilowatt hour is about \$45 a year per horsepower—

three mills of this to be set aside until the Government was reimbursed for the sums advanced. There is no doubt that this proposition originated with Frank S. Washburn, and that he saw the possibility of building up the Alabama Power Co. at the same time the Muscle Shoals plant was being built.

The proposition of the Alabama Power Co. was not accepted by Col. Joyes, but on December 1, 1917, a written contract was made with that company by which the United States authorized the Alabama Power Co. to build at its Warrior River station certain considerable extensions of the building, to acquire the right of way and build transmission lines to the nitrate plant at Muscle Shoals, and to do such other work as was necessary in electrifying certain mines and other facilities, and to generally act as the agent of the United States in all of these matters, for which the United States agreed to pay all cost of every kind and nature made by its agent, the Alabama Power Co., and in addition to pay \$60,000 for the use of the agent's lands and a fee of not to exceed \$225,000 to the agent for doing this work, and for the power the company was to receive 6½ mills per kilowatt hour, with a minimum monthly charge of \$30,000, the United States to retain 2 mills per kilowatt hour until the cost of the Warrior station and Warrior substation should be paid. It will be observed that this contract is much less favorable to the Government than the proposition made to Col. Joyes by the Alabama Power Co. on November 5, 1917. No reason is given for this by Col. Joyes except that he thought the Government had no authority to loan money.

Acting under the authority contained in this contract, the Alabama Power Co. built an extensive addition to their plant on the Warrior River. They also bought or acquired right of way for power transmission line for approximately 90 miles from the Warrior River to nitrate plant No. 2, the title to which is in the Alabama Power Co., and which the United States has no right to acquire by virtue of its written contract. On this right of way was built a transmission line, the only connection between United States nitrate plant No. 2 and the installation made at the Warrior River plant. This line is of flimsy construction, on wooden poles, and would not pay for the expense of taking it down and removing it.

At the Warrior River station the Alabama Power Co. had had a brick building about 100 by 100 feet, with indifferent machinery. The Alabama Power Co., under its aforesaid contract, built an addition thereto 100 by 100 feet and of the most modern construction, installed the most modern machinery, boilers, and appliances, and a 30,000-kilowatt turbogenerator of the most modern and complete construction. This turbogenerator is placed on permanent foundations in the building heretofore described, and the whole is located on land owned by the Alabama Power Co., and with no right in the Government to acquire the same.

The Warrior River station is located at a place called Gorgas, about 100 miles from Muscle Shoals, and a place excessively hard to reach. During construction most of the supplies came by the Warrior River by steamboat from Benoit, 18 miles away. The nearest railroad station is Parish, Ala., about 9 miles from Gorgas. During the construction period the expense and hardships of transporting material to Gorgas were immense.

Now they go into the extravagance of building. But that is not the point I want to make. The point is that the Government has expended here \$5,000,000 for the Alabama Power Co., upon land of the Alabama Power Co., the Alabama Power Co. now utilizing that expenditure of the Government, that \$5,000,000, and selling for commercial purposes the power generated by this dam, or by the Government at the instance of the officers of the Ordnance Department.

Having made such a contract with the Government, is it any wonder, Mr. President, if these same officers could be in charge of this corporation, if these officers could control this contract, could have the powers that are proposed to be given them in this bill, that the Alabama Power Co. rests back secure in the belief that, inasmuch as the Government has done so handsomely by it in that \$5,000,000 expenditure, the Alabama Power Co. would be equally well benefited by the corporation proposed to be created by this bill?

As to this dam, Mr. President, on January 4 last, just this week, the House voted upon an appropriation of \$10,000,000 for the further prosecution of work upon this Muscle Shoals Dam, and the appropriation was defeated. The attitude of the House, therefore, is that work should not proceed on this Muscle Shoals Dam at this time. I hope that when we reach that question the view of the Senate will be the same as that of the House. But whether it is or not, if the House maintains its position, who is there who will say that we shall go on with this bill, when it is admitted by everybody that fertilizer can not be manufactured in competition with private enterprise if steam power is to be employed; that the only possibility of successful manufacture will be the utilization of this water power?

So, it seems very clear to me, that what should be done is to recommit this bill to the Committee on Agriculture and Forestry, there to await such action as may be taken with regard to the completion of the Muscle Shoals Dam.

As to that dam, Mr. Baker testified at this hearing that the original estimate was \$10,000,000. He said last March they were making a restudy of the subject. They have restudied it. I have a letter here written by Col. Cooper, the engineer in charge, on November 27, 1920, and, Mr. President, I ask leave to insert in the Record that letter without reading all of it.

There being no objection, the letter referred to was ordered to be printed in the Record, as follows:

NOVEMBER 27, 1920.

Gen. HARRY TAYLOR,

Office of the Chief of Engineers,
War Department, Washington, D. C.

DEAR SIR: 1. You have asked us for a general statement with respect to the value to the general public of the Muscle Shoals project as a water power, and you have also asked us for a statement as to what losses would probably be met with if the construction of the works should be interrupted by the failure of Congress to make necessary appropriations to carry on the work vigorously and thoroughly as now under way.

2. With reference to the first question, we have carried out under your instructions an exhaustive analysis of the value of the power element in this project. Our investigations have included a thorough check of the Florence rating curve, involving 45 separate checked quantitative measurements for different elevations of the gauge. This gauge, as you know, has been the basis for determining accurately the flow of the Tennessee River during the last 21 years. Based upon the flow of the Tennessee at Muscle Shoals thus determined, and based upon the operating heads as they will occur at the Wilson Dam, we find, as previously reported to you, that the average primary power production in the future would be 700,000,000 kilowatt hours per annum, and for the secondary power 1,470,000,000 kilowatt hours per annum.

3. In the territory reachable from the Wilson Dam the present coal consumption in steam-operated industries will be found in excess of 6 pounds of coal per kilowatt hour and is probably more than 8 pounds per kilowatt hour. Assuming 6 pounds, the saving in coal by the complete installation of the works as now planned will amount to more than 6,500,000 tons per annum if this energy is used for standard normal domestic purposes. If the plant is used otherwise than above indicated (for fertilizer, for instance), such other use will not, of course, be adopted unless the resulting benefits are found to be in excess of those incident to the conservation of 6,500,000 tons of coal per annum, and therefore you should be safe in submitting the coal-saving quantities as a basis for congressional determination of future action.

4. In determining the amount of power that should be developed at the Wilson Dam we have carried out your instructions to figure that 10 years of time will be required to load the plant after it is completed, and that after the works are completed interest should be figured until the product of the plant is fully marketed. We have also carried out your instruction to use the unusually low selling price of 1.2 mills per kilowatt hour for the secondary power and 4 mills per kilowatt hour for the primary power at the low-tension bus bars of the generating station, in order that Congress may always be certain that the final results will fully justify the money to be here invested.

5. Under your instructions we have figured that the plant when completed must earn 5 per cent for interest and 5 per cent for depreciation and operation, or 10 per cent of the cost of the power end of the enterprise. Both of these assumptions are conservative. The kilowatt hours in paragraph 2 multiplied by the selling prices in paragraph 4 will produce a gross annual income of \$4,554,000, which is 10 per cent of a cost price of \$45,540,000. The best estimate that can be made at this time of the total cost of the project, including the two lift locks and all of the navigation facilities, is around \$50,000,000, and thus leaves about \$4,500,000 as the amount applicable to the navigation account.

6. All of the above quantities are accurate and are not to be considered as assumptions or approximations. The value for the secondary and primary kilowatt hours are about 50 per cent of prewar steam costs in the territory under consideration.

7. On the second question, as to the cost of closing down the work at this time, this is difficult to answer. It is not conceivable that the Government would withdraw from this project entirely in view of the more than \$12,000,000 already invested and the showing in the foregoing paragraphs. In order to estimate the cost of a shutdown it would be necessary to have a basis as to the date when work would be resumed, so that the loss in interest might be computed. If the work should shut down at this time, to be resumed, say, in three years, I am of the opinion that the combined losses to the Government would be around \$4,000,000, and without any compensation therefor unless the Government might claim there was a compensation to be expected in waiting for a lower interest rate three years from now than can be obtained at this time. This amount of saving would be very small as compared to the \$4,000,000 loss. The \$4,000,000 would represent a loss of interest during three years on \$12,000,000, and on the construction side the loss of all of the cofferdams which are now in place, the loss of the construction bridge, the removal and reerection of a large amount of construction derricks, track, concrete mixers, rock crushers, and other construction equipment. The job would also have to suffer the losses incident to the breaking up of the large construction organization which has been assembled at necessarily large expense, and I feel very certain that collectively the above losses would be a minimum of \$4,000,000 and might easily amount to \$4,500,000.

8. If the work should be shut down now or at any future time, there would result only a small loss to the Government on account of the engineering division on the Muscle Shoals work being suspended, because of the 30-day cancellation clause in our contract therefor.

Very truly, yours,

HUGH L. COOPER.

Mr. LENROOT. I will read this paragraph:

Under your instructions we have figured that the plant when completed must earn 5 per cent for interest and 5 per cent for depreciation and operation, or 10 per cent of the cost of the power end of the enterprise. Both of these assumptions are conservative.

I will say in passing, however, that if this computation is to be made with reference to the power that is to be employed in this fertilizer plant, never, never under the statements of the Government's own witnesses could this fertilizer plant become a success for the Government. It is bound to be a losing proposition from the very start if these figures are to be taken.

Mr. WADSWORTH. There is a good deal of the spirit of getting something for nothing in this project, anyway.

Mr. LENROOT. Oh, certainly. Of course, I want to say that really the Representatives from the South have all these years

commanded my admiration for their persistence, because if they can get the United States Government to spend a hundred or a hundred and fifty million dollars down there, the Government taking all chances, or even though the Government knows it is going to be a great loss, it would be a fine thing for somebody down in Alabama.

This letter continues:

The kilowatt-hours in paragraph 2, multiplied by the selling prices in paragraph 4, will produce a gross annual income of \$4,554,000, which is 10 per cent of a cost price of \$45,540,000. The best estimate that can be made at this time of the total cost of the project, including the two lift locks and all of the navigation facilities, is around \$50,000,000, and thus leaves about \$4,500,000 as the amount applicable to the navigation account.

So here, Mr. President, we have this situation: Stretching everything to the furthest limit possible, what they can not figure, with their own most liberal estimate, as being a safe investment for the Government, they say we will charge the balance to navigation, when, as a matter of fact, with this dam completed, it will not furnish additional navigation for one single ton of commerce. Other millions will have to be expended upon other dams before this particular dam will have the slightest effect upon navigation.

No, Mr. President; if Senators will simply take a business, common-sense view of this question, it seems to me that there can be but one opinion, and that is that this legislation should not go forward unless the Muscle Shoals Dam is to be completed. The case is gone, completely gone, unless that be done, and what folly it would be to create a corporation, place in their hands twelve and a half million dollars, with an overhead expense here in the city of Washington, as shown by their own figures, of \$235,000,000 a year, making a lot of fat offices for some people—

Mr. WADSWORTH. The whole thing outside of the civil-service law.

Mr. LENROOT. Outside of civil-service law entirely—when, unless this Muscle Shoals Dam is completed, this never, never can be run at a profit to this corporation.

Now, a few words as to the bill itself, and the powers that are proposed to be conferred upon this corporation. The first one I note is that although the life of the corporation is limited to 20 years, they are given unlimited power to make contracts. They make contracts for a hundred years or more if they see fit.

They are given authority "to sell any or all of its products not required by the United States to producers or users of fertilizer or to others." This whole debate has been upon the theory that the fertilizer which was to be manufactured at this plant was to be sold to users. The testimony shows they have no such intention. The testimony shows they do not intend to go into distribution. One of the witnesses—I have forgotten now which one—suggested that they can sell part of their product to the Tennessee Copper & Chemical Corporation—I think that is the name—engaged in the manufacture of fertilizer. Out of curiosity I looked up to see what that corporation was, and I found it was owned and controlled by a group of bankers in the city of New York. And mark this, that in the language of the act itself in authorizing the selling of this product "producers" comes before "users." Is this corporation to sell to this wicked fertilizer trust?

Again, may I be permitted to say that with some gentlemen this trust seems to be a bad trust when it is against a bill which proposes to defeat Muscle Shoals, but it is a good trust when it is for a bill with itself the beneficiary.

You may read the bill from beginning to end, and you will not find a word in it which requires the production of a single pound of fertilizer or of nitrates of any kind by this corporation at this plant, because it is expressly provided that this corporation shall have authority "to enter into such agreements and reciprocal relations with others as may be deemed necessary or desirable to facilitate the production and sale of nitrogen products on the most scientific and economic basis."

The day after the bill becomes a law this corporation might make a contract with this very so-called fertilizer trust. It might make a contract with the American Cyanamid Co., whereby the American Cyanamid Co. would produce every pound of nitrates that was produced, or it might make a contract that none should be produced.

Another power given is—

To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out of the purposes of this act.

Are you going to give this corporation power, with this \$12,500,000 furnished by the Government, to purchase any buildings here in the city of Washington or anywhere in the United States at its own sweet will?

It further is provided, "and with the approval of the Secretary of War, to lease to other persons, firms, or corporations any of its properties not used or needed by the corporation, or to enter into agreements with others for the operation of such properties."

Can anyone say that there is anything in this bill which guarantees the production of fertilizer in behalf of the farmer, when such provisions as these are incorporated in it? In section 124 of the national defense act there is such a provision. It is expressly provided there that the Government shall not cooperate with private industry in the manufacture of fertilizer or the disposition of the product, made clearly a governmental operation there. But what does this bill do? In that act there was some guaranty that the Government would act in the interest of the farmer. But this bill repeals in express terms the very provisions which were put in the national defense act for the benefit of the farmer. The language is:

In the operation, maintenance, and development of the plants purchased or acquired under this act the corporation shall be free from the limitations or restrictions imposed by the act of June 3, 1916, and shall be subject only to the limitations and restrictions of this act.

Yet there are Senators who stand on this floor and would have the Senate believe that this is the bill in the interest of the farmers of the United States, when you propose to repeal the restrictions in the national defense act which were intended for the benefit of the farmers.

Then we come to capital stock. It is made to appear that this is not going to cost the Government anything, because we are going to sell 150,000 tons of Chilean nitrate which the Government now owns, the proceeds to be used for that purpose. As was stated the other day by the Senator from New York [Mr. WADSWORTH], the price of Chilean nitrate has dropped so much that instead of 150,000 tons providing \$12,500,000, I think he said it would provide only about seven and a half million now. But the United States, under the terms of this bill, subscribes for twelve and a half million dollars of capital stock, and if the nitrate sells for only seven and a half million dollars, there is only one thing left for the Committee on Appropriations to do, and that is to appropriate out of the Treasury of the United States the difference between what the nitrate does sell for and the twelve and a half million dollars.

Mr. WADSWORTH. Or else, may I say, sell more nitrate.

Mr. LENROOT. Or sell more nitrate. In any event they have to furnish \$12,500,000.

Mr. WADSWORTH. And it is the taxpayers' money in any event.

Mr. LENROOT. Three million dollars of it is proposed to be set aside in one fund, the purpose of which is deliberately stated to take care of losses during the first three years.

If we are going ahead with the operation of the plant, I submit first that the management should be in the hands of those who have not been connected in any way with the construction of the plant in the past. In the second place, if the Muscle Shoals Dam is to be completed it should not be placed under the jurisdiction of this corporation. If the Muscle Shoals Dam is to be completed, we have legislation now upon the statute books that automatically places the sale of power from that dam in the hands of the water-power commission, where it properly belongs. The dam, if it is to be completed, should be under the jurisdiction of that commission. If we are to operate the fertilizer plant they should purchase power from that commission, not at a profit to the United States, because I do not claim that. I would not ask that the United States make one penny of profit, but it should be upon such a basis as would make the United States good if it is to be done. We ought not to have a situation where those advocating the fertilizer plant base their figures on three-quarters of 1 mill per kilowatt hour and then, to demonstrate that the Muscle Shoals plant will be profitable, assume that they are going to sell it for 4 mills per kilowatt hour.

In my judgment the Muscle Shoals plant ought not to be completed at this time. This is no time for the Government to undertake the expenditure of an additional \$38,000,000. True, there may be some loss, but we can better take the loss of a couple of million dollars, apparently, and save many million dollars in fact, and that can be done if we postpone the completion of the Muscle Shoals Dam.

In the first place, the United States Government to-day is paying 6 per cent interest on its money. The \$38,000,000 that would go into the dam, the \$10,000,000 that they ask for this year, and which the House has refused to give them, will cost the Government 6 per cent interest. We are borrowing money and paying 6 per cent interest on it for this purpose. In addition to that, I do not think there is anyone who does not know

that in another year or two the cost of the work will be very much less than it is to-day.

It was the height of folly to proceed with it as the War Department did proceed with it, and if we go on and complete the work now we are going to tax the very farmers, for whom some Senators have so much concern, for all time in the price of the fertilizer they buy. If the Government is to come out even, we are going to have to tax them upon the basis of the project—I am speaking of the dam alone, wiping the other off the books—costing twice as much as it ought to cost, and probably twice as much as it will cost a couple of years from now, because the American Cyanamid Co. itself made an estimate on this very dam at \$15,000,000, prewar prices, the War Department at \$10,000,000, and here it is up to \$50,000,000.

From every standpoint the bill ought not to pass at this time. If the bill shall be referred back to the Committee on Agriculture and Forestry, I am very sure that it will never be reported again with the powers that are proposed to be conferred in the bill as it now stands before the Senate. If the Committee on Agriculture and Forestry considers the bill again, there will be some provision in it for the protection of the public and for the protection of the farmer, whom it is sought to serve.

Mr. KELLOGG. Mr. President—

Mr. LENROOT. I yield to the Senator from Minnesota.

Mr. KELLOGG. How much has been spent in the construction of the dam up to the present time?

Mr. LENROOT. I understand about \$7,000,000.

Mr. KELLOGG. How much more is it estimated that it will take to complete it?

Mr. LENROOT. About \$43,000,000.

Mr. KELLOGG. Forty-three million dollars more?

Mr. LENROOT. Yes; even though it does cost \$2,000,000 to conserve and protect the work that has already been done, 6 per cent interest on \$10,000,000 is \$600,000, and 6 per cent interest on \$43,000,000 is about \$2,500,000. We save as much in interest in one year, to say nothing of the high cost, as it would cost to preserve and protect the property. If it is to be completed at some future time, we may hope that then it will be completed upon a basis that would mean a very much less cost than it would to-day.

Mr. HEFLIN. Mr. President, the Senator from Wisconsin referred to a measure for which I voted as a member of the House, as did also my colleague [Mr. UNDERWOOD], appropriating \$18,000,000. I think the Senator has that proposition mixed up with a bill that we passed through the House granting the cyanamid company the right to build a power dam across the Coosa River at Lock 18 in Alabama.

Mr. LENROOT. Will the Senator yield?

Mr. HEFLIN. I yield to the Senator from Wisconsin.

Mr. LENROOT. I am not at all referring to that. I think the Senator will remember, when I recall it to his mind, that the appropriation which called for \$150,000 was to make certain borings in carrying out a proposition which the American Cyanamid Co. made to the Government, whereby the Government was to appropriate \$18,000,000, the cyanamid company \$3,000,000, and then a contract to be made running over 100 years for the use of the power developed by the American Cyanamid Co. A contest was made in the House and we defeated the appropriation for that purpose, but every member of the Alabama delegation, including both my distinguished friends, supported it and voted for it.

Mr. HEFLIN. If I recall the incident correctly, the river was to be made navigable for quite a number of miles, and the appropriation would have amounted after all to helping to make the Coosa River navigable from Rome, Ga., to the Alabama River at Montgomery. The House passed the bill to which I first referred, granting the cyanamid company the right to build a power dam at Lock 18 on the Coosa River.

President Taft vetoed the measure. By that act the American people, and the farmers in particular, lost the cyanamid company, which is now being operated on the Niagara River in Canada. I think that a great blunder was committed when we lost that great plant to the people of the United States. The dam would have been constructed on the Coosa River in Alabama, and we would have had the benefit of the output of that plant, which, as I said, is now being operated in Canada. It was a shortsighted policy, a piece of folly, to lose that great industry to the United States.

The fertilizer trust in the United States is always on the alert and active when anything is suggested in the interest of cheaper fertilizers for our farmers. That trust was on hand and using its power and influence when the cyanamid company was denied the right and privilege to establish its plant and do business in the United States. It is now opposing the nitrate

project at Muscle Shoals, and I am of the opinion that some of its agents are in the gallery each day listening to the discussion of the pending measure, hoping to see it defeated. They would be delighted to have the whole thing junked.

The Senator from Wisconsin says there is no provision in the bill providing fertilizers for the farmers of America. If the bill passes in its present form this concern will have no restrictions upon it, and it can manufacture fertilizer to be used by the farmers of America, and it is our purpose to have that very thing done. I regret that extravagance has been indulged in down there in some particulars, and I condemn it as much as does the Senator from Wisconsin. Of course it was wrong, but it happened during the war and mainly, I think, because of the pressure and hurry for the early completion of the project. The Government felt that it needed the plant completed at the earliest day possible, and that accounts for a great deal of the extravagance complained about. Muscle Shoals, Ala., is not the only place where extravagance was indulged in. It was indulged in, I am sorry to say, at a good many other places in acquiring war materials.

But I submit to the Senate again that there is no good reason in the suggestion for stopping the project or killing it outright, as the Senator from Wisconsin would have us do. He suggests that we refer it back to a committee because the House failed to appropriate \$10,000,000 to carry on the work at the Wilson Dam. I submit to the Senator that the House defeated it by a very small vote, a majority of only seven votes, and it was just after the holidays when a great many of the Members who went home had not returned. I feel that with the full membership of the House present they would have passed the measure. But whether the House passed it or not does not justify the Senate in taking the step suggested by the Senator from Wisconsin, which amounts to killing this great project and losing to our farmers the benefits which would surely come from the operation of this great industry.

The farmers of America think that they will be greatly benefited by the completion of the nitrate plant at Muscle Shoals. Every farmer organization of any consequence of a national character in the country has indorsed the very project to provide for which legislation is now pending in the Senate. I am sure that they know as well what they want and what will benefit them as does my good friend, the distinguished Senator from Wisconsin. They are hoping and trusting that this measure will pass, so that they may be supplied with fertilizers from this plant and be somewhat relieved from the high prices which they have had to pay to the Fertilizer Trust in the past.

Mr. President, everything possible should be done to relieve our farmers from the distressing situation which is upon them. They are in distress in Wisconsin as well as in Alabama, and my heart goes out to them whether they are in New York, Wisconsin, Alabama, or in other States of our great American Union. I would vote for this project if it were in the State of Wisconsin just as quickly as I shall vote for it located as it is in my own State. I look upon it as a great American project, and one that will be, when completed, very useful and valuable to our farmers all over the country.

The Senator from Wisconsin says that it will benefit somebody down in Alabama. If the people of Alabama should, as they will, derive some of the benefits which are to flow from this great enterprise, I am sure that the Senator from Wisconsin will not object. I would like to see the people of his State benefit by it, and they will. I want its benefits felt by all the people of the United States. In fact, Mr. President, I want to see the people of every State prosperous and happy.

Mr. LENROOT. Mr. President—

Mr. HEFLIN. I yield to the Senator from Wisconsin.

Mr. LENROOT. The Senator from Alabama has great concern for the farmer; so have I. Would the Senator from Alabama join with me in voting for a tariff that would reduce or prevent the flood of importations of agricultural products, and thereby protect the farmer?

Mr. HEFLIN. I am giving serious thought to that subject just now. I am willing to do what is necessary to protect our farmers from some of the distressing conditions and circumstances which now confront them, but I submit to the Senator from Wisconsin that to-day, when this measure is up for consideration, is the time and the occasion to greatly aid the farmer in another way.

I repeat that the farmers of the United States, through all of their organizations, are beating at the doors of this Chamber and asking us to pass this particular bill, and I trust that the Senate will grant their very reasonable request. Because some extravagance has been indulged in at Muscle Shoals is no reason why the Senate should commit a greater folly and junk the project and make the whole thing a total loss to the Gov-

ernment. The project ought to be completed, and when completed and run by water power, as it will be, it will conserve in the coal supply of the United States substantially 6,500,000 tons per year.

Mr. LENROOT. Mr. President, the Senator from Alabama does not mean that the coal supply can be conserved six and a half millions tons in a year and the fertilizer plant be operated at the same time. One or the other might be done, but both can not be.

Mr. HEFLIN. But it is going to be run by water.

Mr. LENROOT. Yes; but it does not require 6,500,000 tons of coal a year to manufacture 86,000 tons of fertilizer. What the Senator has in mind is what engineers who are opposed to this power being used for fertilizer have said, that its use for other purposes can conserve six and half million tons of coal. On the other side, it is said that there is no market for the power and that it ought to be used for the manufacture of fertilizer. Both propositions, however, can not be true.

Mr. HEFLIN. The record shows that Hugh L. Cooper, one of the engineers, stated:

The saving in coal by the complete installation of the works as now planned will amount to more than 6,500,000 tons per annum.

Mr. LENROOT. That is, if the power is not used for the fertilizer plant.

Mr. WADSWORTH. Will the Senator from Alabama complete the sentence? There is an "if" following.

Mr. HEFLIN. It reads:

If this energy is used for standard normal domestic purposes.

That language does not change the proposition.

Mr. LENROOT. Will the Senator not read the next sentence?

Mr. HEFLIN. It continues:

If the plant is used otherwise than above indicated (for fertilizer, for instance), such other use will not, of course, be adopted unless the resulting benefits are found to be in excess of those incident to the conservation of 6,500,000 tons of coal per annum.

That language does not change the proposition that I am insisting upon.

Mr. President, I submit that we are rapidly exhausting the coal supply of the world. Here is an opportunity to conserve the coal supply; to utilize water power now going to waste; to supply the farmers of the country with fertilizers; to deliver us from a foreign fertilizer or nitrate trust; and to put the country in a position in time of war where it can manufacture its own nitrate and not have somebody in the Senate, after another war, referring to the extravagance indulged in because we were driven to the necessity of buying an essential commodity in a hurry and paying almost any price demanded. Profiteers, as I said on yesterday, advanced the prices on their products, and the Government, which had to have them, had to pay the prices which were demanded. If the pending bill becomes a law, then if war should come again, we would not be dependent on Chile for our nitrate; we would manufacture it ourselves in the plant at Muscle Shoals. We would not be dependent, then, upon the trust that might put its prices sky-high.

If we should have to go to the fertilizer trust for some of our nitrate supply in time of war, the fact that the plant at Muscle Shoals was in existence would enable us to get it at a reasonable price.

So, Mr. President, I am unable to see the force of the argument in favor of returning this bill to the committee, stopping this mighty project where it stands, and permitting all of that high-priced and excellent machinery at Muscle Shoals to stand idle and all of the other machinery that has been assembled there to stand idle and be of no value to the Government. It would be like building a house, and when you get the rafters up and the walls completed and the inside work done, to say, "We shall stop now and leave the house without a cover on it." I can not understand the position of Senators who would pursue such a course.

I trust that Senators enough will support this measure to secure its passage. I shall probably vote for some of the amendments which have been proposed by the Senator from New York [Mr. WADSWORTH]. It may be that there are other amendments which are necessary. However, let us amend the bill and perfect it, if we can, but do not let us kill it. I am of the opinion that there will be a great deal of explaining to do to the farmers of the country if this bill is sidetracked and defeated, as some of our Republican friends have suggested here to-day.

Mr. TOWNSEND. Mr. President—

Mr. HEFLIN. I yield to the Senator from Michigan.

Mr. TOWNSEND. Does the Senator agree with the Senator from Wisconsin [Mr. LENROOT] that nitrate can not be success-

fully and economically manufactured at the Muscle Shoals plant without water power?

Mr. HEFLIN. No; I do not agree with the Senator from Wisconsin. I think it can be made in abundance by the use of water power, and there will be an ample supply for our needs.

Mr. WADSWORTH. They are not using any water power there at all.

Mr. HEFLIN. I mean when the water-power project is completed.

Mr. TOWNSEND. Does the Senator think it is necessary to complete the Muscle Shoals Dam before nitrate can be profitably and economically manufactured?

Mr. HEFLIN. We can make nitrate with steam now, of course, and are doing it, but we can make it very much cheaper and in greater abundance by the use of water power; that is the point I am trying to make.

Mr. TOWNSEND. Can nitrate be made with steam now profitably and so as to be within reach of the farmers?

Mr. HEFLIN. Yes; and some is being made there now. The Senator from South Carolina [Mr. SMITH] had some here yesterday which had been manufactured by that plant.

Mr. TOWNSEND. I had understood from the Senator's remarks in the early part of his discussion to-day that he was basing his argument on the proposition that water power was to be used in order that the material could be made profitably and sold economically and within the reach of the farmers.

Mr. HEFLIN. It could be made more cheaply in that way.

Mr. TOWNSEND. And, therefore, it would require the completion of the Muscle Shoals Dam.

Mr. HEFLIN. Personally I should like to see the dam completed; I think we ought to complete it. I think the Senator from Wisconsin believes that it should be completed. I understood that to be his position. If it is not completed the money already spent in its construction will be lost.

Mr. TOWNSEND. And the Senator agrees that it will cost at this time about \$43,000,000 in addition to the \$7,000,000 which have been expended?

Mr. HEFLIN. The highest estimate, I understand, was \$45,000,000. Twelve million dollars have already been expended, and \$5,000,000 more are available and will be spent by the 1st of next June.

I hope that Senators will take a favorable view of this matter and will not condemn it because somebody under the direction of somebody else in the War Department has been extravagant and, perhaps, wasteful in the expenditure of money. Let us not destroy the project, but let us condemn those who were extravagant and wasteful. Let us save this great project and put it in operation as soon as possible, and by so doing, Mr. President, we will render valuable service to the agricultural industry of the United States in time of peace and provide for the national defense in time of war.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

| | | | |
|------------|-----------------|--------------|--------------|
| Ball | Hefflin | McKellar | Sutherland |
| Borah | Johnson, Calif. | McNary | Townsend |
| Capper | Jones, N. Mex. | New | Trammell |
| Coit | Jones, Wash. | Overman | Underwood |
| Curtis | Kellogg | Phipps | Wadsworth |
| Dillingham | Kenyon | Sheppard | Walsh, Mass. |
| Fletcher | Keyes | Smith, Ariz. | Warren |
| Gerry | King | Smith, Md. | Williams |
| Glass | La Follette | Smith, S. C. | |
| Harris | Lenroot | Smoot | |

The VICE PRESIDENT. Thirty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of the absentees.

The reading clerk called the names of the absent Senators, and Mr. POINDEXTER and Mr. SWANSON answered to their names when called.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present.

Mr. KING. I move that the Senate adjourn.

Mr. UNDERWOOD. I ask for the yeas and nays on that motion.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. POMERENE (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. CUMMINS]. After conferring with the junior Senator from that State [Mr. KENYON] I think I can vote on this question. I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the junior Senator from Ohio [Mr. HARDING] to the senior Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. He is not present. I transfer that pair to the senior Senator from Louisiana [Mr. RANDELL] and vote "nay."

The roll call was concluded.

Mr. HARRIS (after having voted in the negative). I have a pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the senior Senator from California [Mr. PHELAN] and will let my vote stand.

Mr. SMITH of South Carolina (after having voted in the negative). Has the senior Senator from South Dakota [Mr. STERLING] voted?

The VICE PRESIDENT. He has not.

Mr. SMITH of South Carolina. I have a general pair with that Senator. I transfer my pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and will let my vote stand.

Mr. JONES of New Mexico (after having voted in the negative). I have a pair with the junior Senator from Missouri [Mr. SPENCER], which I transfer to the senior Senator from Arkansas [Mr. ROBINSON] and will let my vote stand.

Mr. GLASS. I have a general pair with the senior Senator from Illinois [Mr. SHERMAN], which I transfer to the junior Senator from Arkansas [Mr. KIRBY] and will vote. I vote "nay."

Mr. NUGENT. I have a pair with the Senator from Connecticut [Mr. BRANDEGEE], which I transfer to the Senator from Arizona [Mr. ASHURST] and vote "nay."

Mr. SMITH of Georgia. I have a pair with the senior Senator from Massachusetts [Mr. LODGE]. I transfer that pair to the senior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. McCUMBER. I transfer my general pair with the senior Senator from Colorado [Mr. THOMAS] to the junior Senator from West Virginia [Mr. ELKINS] and vote "yea."

Mr. PHIPPS (after having voted in the affirmative). I am informed that a pair was arranged for me with the junior Senator from South Carolina [Mr. DIAL]. I transfer that pair to the junior Senator from Maine [Mr. HALE] and will allow my vote to stand.

Mr. SMOOT. I have been requested to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New Mexico [Mr. FALL] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from Maine [Mr. FERNALD] with the Senator from South Dakota [Mr. JOHNSON];

The Senator from Pennsylvania [Mr. KNOX] with the Senator from Oregon [Mr. CHAMBERLAIN];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Nevada [Mr. HENDERSON];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Louisiana [Mr. GAY];

The Senator from Indiana [Mr. WATSON] with the Senator from Delaware [Mr. WOLCOTT]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

I also desire to announce that the Senator from Kansas [Mr. CURTIS] is detained in committee.

The roll call resulted—yeas 24, nays 25, as follows:

YEAS—24.

| | | | |
|-----------------|--------------|------------|------------|
| Ball | Jones, Wash. | McCumber | Pomerene |
| Borah | Kellogg | McLean | Smoot |
| Capper | Kenyon | McNary | Sutherland |
| Colt | Keyes | New | Townsend |
| Dillingham | King | Phipps | Wadsworth |
| Johnson, Calif. | Lenroot | Poindexter | |

NAYS—25.

| | | | |
|----------|----------------|--------------|--------------|
| Beckham | Jones, N. Mex. | Simmons | Trammell |
| Fletcher | La Follette | Smith, Ariz. | Underwood |
| Gerry | McKellar | Smith, Ga. | Walsh, Mass. |
| Glass | Nelson | Smith, Md. | Williams |
| Gronna | Nugent | Smith, S. C. | |
| Harris | Overman | Stanley | |
| Heflin | Sheppard | Swanson | |

NOT VOTING—47.

| | | | |
|-------------|------------------|-----------|--------------|
| Ashurst | France | Knox | Ransdell |
| Brandegee | Frelinghuysen | Lodge | Reed |
| Calder | Gay | McCormick | Robinson |
| Chamberlain | Gore | Moses | Sherman |
| Culberson | Hale | Myers | Shields |
| Cummins | Harding | Newberry | Spencer |
| Curtis | Harrison | Norris | Sterling |
| Dial | Henderson | Owen | Thomas |
| Edge | Hitchcock | Page | Walsh, Mont. |
| Elkins | Johnson, S. Dak. | Penrose | Watson |
| Fall | Kendrick | Pittman | Wolcott |
| Fernald | Kirby | | |

The VICE PRESIDENT. On the motion to adjourn, the yeas are 24 and the nays are 25, so the motion is lost. The presence of a quorum has been disclosed. The question is on the amendment offered by the Senator from South Carolina [Mr. SMITH].

Mr. WADSWORTH. Let the amendment be read.

The VICE PRESIDENT. The Secretary will read the amendment.

The ASSISTANT SECRETARY. On page 5, at the end of line 19, insert a colon and the following proviso:

Provided, That in the sale of such products not required by the United States preference shall be given to those persons engaged in agriculture.

Mr. WADSWORTH. Mr. President, do I understand that it is the purpose of the amendment to make it mandatory upon this corporation to sell to farmers direct?

Mr. SMITH of South Carolina. My purpose is to require that when they have produced that which is available for use on the farms, they shall give preference in orders to those engaged in agriculture.

Mr. WADSWORTH. Give preference how?

Mr. SMITH of South Carolina. To the orders which come from those actually engaged in agriculture. That is my purpose and object.

Mr. WADSWORTH. Mr. President, I have not any special objection to such an amendment; but, of course, if the corporation is going to do that kind of a business, instead of the kind of a business proposed by its proponents originally, all the estimates presented in the hearings are out of date and of no use. If the corporation is going to do a retail business instead of a wholesale business, it would seem at least wise on the part of the Senate to have some estimate as to what the cost of carrying on a retail business is going to be and an estimate as to what may be obtained from the product.

Mr. SMITH of South Carolina. Mr. President, the Senator from New York knows business too well to raise any such question as that, because the fertilizers sold to the farmers even now are sold in wholesale lots. If the Senator from New York is acquainted with the business at all, he knows that farmers do not buy their fertilizer now in retail quantities, except that a few may buy a few tons from local dealers. The bulk of the fertilizer used by the farmers of this country now come in wholesale lots.

Mr. WADSWORTH. Already mixed?

Mr. SMITH of South Carolina. It is not a ton at a time, or 2 tons. The price is generally predicated upon carload lots, and it is a very easy matter for any concern without any appreciable increase of overhead charges to have orders sent out from their storehouses, and if they want to put it upon a cash basis it is merely a transference of the account. If you are going to sell this product, and you propose to provide that it shall be sold, my object is to provide that the man we are all wanting to benefit, I take it, shall have the preference in the orders. I have not prescribed the manner in which they shall sell it. The fact of the business is that if I had drafted a bill to create this corporation I should have had it based entirely upon the principle that it was to be run, outside of what should go to the Government, for the interest of agriculture alone, because I am quite sure, as a farmer myself and knowing the needs for this ingredient, that all it can produce and all the other nitrogen-producing plants of this country can produce, within a reasonable price, will be absorbed by the agricultural interests of the country. I do not know of anything that could confront us charged with as much importance as trying to get some plan to lower the price as well as to increase the volume of nitrogenous fertilizer, and I want it sold directly to the farmer, just as much so as we are selling the antitoxin for the foot-and-mouth disease and for hog cholera direct to them. It is a mere bagatelle and incidental when it comes to the great question of fertilizing the soil and making it productive.

Mr. WADSWORTH. Mr. President, my only concern in this matter and in relation to the amendment offered by the Senator from South Carolina is that we know what we do here. This bill is predicated upon the statements made by the War Department, and the estimates made by them as to what is to be sold from this plant. Now, the Senator from South Carolina introduces an amendment which completely changes the character of the proposed business operations of the concern. The Secretary of War testified before the committee that it was not the intention or the desire of this corporation to do anything else than to sell not a completed fertilizer but an ingredient of fertilizer to fertilizer manufacturers. All his estimates of cost, income, and outgo are based upon that kind of a business, and we have been discussing that here for a week. If we are going to do a different kind of a business, if we are going to

manufacture a finished fertilizer, a completed fertilizer, let us know something about its cost. No such thing is referred to in the hearings.

Mr. SMITH of South Carolina. Mr. President, I know the Senator from New York does not desire to mislead any Senator here. I took occasion yesterday to make some extended remarks on this subject, and I flattered myself that the Senator from New York paid attention to what I was saying and also examined the samples I had on my desk. I, as a practical farmer, in the very heart, almost right at the geographical center, of the greatest use of fertilizer in this country, state to him here and now that the very first product made by the Muscle Shoals plant is not in itself what you might term an ingredient, but for a great majority of cases a completed fertilizer, ready for the soil, as much so as nitrate of soda, as much so as sulphate of ammonia. The nitrate of soda is dug from the mines and shipped to this country, and I have taken it in my own hands and applied it as a top dressing. I have used it in mixing balanced fertilizer under my own shed.

Mr. WADSWORTH. The Senator does more mixing than applying.

Mr. SMITH of South Carolina. I do not. I do not do one-tenth of 1 per cent as much mixing as I do applying. Every man on this side who comes from the great region on the South Atlantic coast, where the bulk of the fertilizer is used, knows that there is not one pound out of a hundred of nitrate of soda mixed on the farm with other ingredients. It is itself a complete nitrogenous application to the crop; you do not mix it with anything else. A fertilizer company will take these three ingredients and run them through a process and get from \$10 to \$15 a ton more, when with a shovel and hoe on a rainy day the farmer could do it himself, and not only save the cost of mixing but he saves the cost of hauling a filler that contains anywhere from 1,000 to 1,500 pounds a ton of material that is absolutely worthless.

I tried to show yesterday that the oiled and hydrated cyanamid was ready for immediate application to the soil, as much so as sulphate of soda or cottonseed meal. Cottonseed meal is nothing but a nitrogenous element. We apply that, because there are some soils which do not need phosphoric acid or potash.

The very first process of the Muscle Shoals proposition is a complete fertilizer, so far as the farmer is concerned, for that specific ingredient. It is just like going down to a store and being told that I can not buy a bridle for my horse unless I get a complete set of harness. I might want a wagon harness or a carriage harness, or I might not want the other harness and just want a bridle. A complete harness would include the bridle, but I might have the other parts. So some soils do not want phosphoric acid. This product is complete. Even if I were to buy the phosphoric acid and buy the potash, I could buy this other product and apply it as I saw fit. It is complete and ready.

Look at the terms of the paragraph I propose to amend. It reads:

To sell any or all of its products not required by the United States to producers or users of fertilizer or to others.

How do I change the estimates, and so forth, and so on, if I specify one of those "others" should be given preference? I do not say how they shall sell it, whether by the sack or by the ton or by the carload lot. I say preference shall be given, under whatever rule they may adopt, to those engaged in agriculture. I hope the Senate will adopt the amendment.

Mr. WADSWORTH. Mr. President, I only have to remind the Senator that the Secretary of War and his assistants testified to the committee that it would be undesirable for the corporation to do the thing which the Senator urges it to do.

Mr. SMITH of South Carolina. I do not recall that the Secretary of War so testified.

Mr. WADSWORTH. He did. He said that it was not the purpose and it was not the desire—

Mr. SMITH of South Carolina. But it is the purpose and desire of the Senate to do it. The Secretary of War is simply a creature of ours, and I maintain that there is not a man here who could find a valid reason why he should not vote for this amendment on the ground that it might increase expense, when you have provided in the very section I seek to amend that it shall be sold to producers, fertilizer manufacturers, and to others. I want to specify what preference shall be given to those others. That is what I am driving at. It need not change the dollar estimate. And even if it did, it is our duty to put this amendment on. We can afford to spend a few more dollars for the benefit of enriching the soil of this country.

Mr. WADSWORTH. Mr. President, I was endeavoring to state my recollection of the testimony of the Secretary of War

when I was interrupted by the Senator from South Carolina. The Secretary of War certainly gave the committee clearly to understand that it was not only undesirable, but the corporation would not be in a position to sell direct to the ultimate consumer, and he cut out of all his calculations any such operation and submitted estimates as to the method of doing business by this corporation based upon selling its product only to the manufacturers of fertilizer, and that is all the Senate has before it in the way of estimates of income and outgo. My plea is, and has been all through the consideration of this measure, that, first, it is a strictly business proposal, so far as the manufacture of these products is concerned, and that before we embark upon a commercial business we should safeguard that business against loss; and the only way we can safeguard it against loss is to know where we are going with it. The amendment offered by the Senator from South Carolina completely changes the purpose of this corporation as estimated for by the War Department.

Mr. SMITH of South Carolina. How does it change the purpose of it when the bill gives them the privilege now of doing the very thing I have proposed that it shall do?

Mr. WADSWORTH. But all the estimates are based upon doing only one thing, and the Senator knows it; that is, selling to producers.

Mr. SMITH of South Carolina. That is the farmer.

Mr. WADSWORTH. "Producers or users of fertilizers."

Mr. SMITH of South Carolina. Exactly; "or users."

Mr. WADSWORTH. But the Senator can not get away from the testimony in support of the bill before the committee. It is based entirely upon the proposition of selling fertilizer to the manufacturers.

Mr. SMITH of South Carolina. I did not so understand.

Mr. WADSWORTH. All the estimates are made that way. The estimates were made as to how much of this product the manufacturers of fertilizers can consume.

Mr. SMITH of South Carolina. Mr. President, the Senator from New York does not want to misstate the case.

Mr. WADSWORTH. Will the Senator permit me to continue just a moment?

Mr. SMITH of South Carolina. Certainly.

Mr. WADSWORTH. I sat in those hearings, and I recollect perfectly well what the advocates of the bill proposed. If it is going to do a different kind of business than that announced by the man who is going to appoint the directors and remove them at pleasure, then I want to know what that kind of a business is going to result in financially. The Secretary of War, under the bill, appoints these directors and removes them at pleasure. He has said that it is his purpose, if clothed with this power, to do business in a certain way, and only in that way. Is there anything in the Senator's amendment which would change that other than that it would give a preference? I understand that the Senator's amendment would give a preference to another kind of selling agency.

Mr. SMITH of South Carolina. No.

Mr. WADSWORTH. To another kind of selling business. Is not that true?

Mr. SMITH of South Carolina. I do not want to take the floor in my own time, because we went over this matter yesterday, I thought, sufficiently exhaustively for the Senate to understand that the testimony of everyone who testified, that I myself paid particular attention to—and I think that included most of them—was to the effect that it was to be principally for the benefit of agriculture, so much so that Dr. Whitney came before our committee and placed before it samples showing the possibilities of using the nitrogen furnaces, with their tremendous heat and pressure, for the production of phosphoric acid by the use of common silicate, common red sand, and then under the same pressure and heat to produce phospho-nitrogen, and then by the use of green shale and the green sands of this country to produce potash, saying that they could produce a complete, balanced fertilizer for the farmer, if the farmer or the trade so desired, and put it on the market at practically a minimum of cost. But none of them took the ground the Senator seems to desire to emphasize, that they were going to manufacture ingredients that could not be used or were not available immediately for the farm or for agricultural purposes, and that therefore must be turned over to the manipulator or to the manufacturer to produce a land fertilizer.

However, if the Senator will turn to the table of fertilizer consumption in the country he will see the figures on the use of nitrate of soda, which is not a thing but cyanamid in another form—one has a soda basis and the other has a lime basis; one is a deposit of nature and the other the creation of chemical science; one is 15 per cent of nitrogen and the other 30 per cent, both of them equally available for immediate application to the soil.

Does the Senator pretend to say that this product, being ready in carload lots to ship out to the farmers' organizations, could not be shipped at a great saving to the farmers and a great saving to the agricultural interests of the country, rather than to ship it to a fertilizer manufacturer to be mixed with a worthless filler in conjunction with some other ingredients and then reshipped to the farmer? The whole aim and object of the legislation, so far as I am concerned, is to put it in such shape—and it is now in such shape—that the farmers themselves can get it directly without the intervention of middlemen or any other process.

Mr. SMITH of Arizona. What relief would it be to a farmer in getting this nitrogenous element of the soil if it had to go into the hands of other individuals to be made up into the form of a commercial fertilizer?

Mr. SMITH of South Carolina. So far as the farmers of the country are concerned, and the necessity for an increased supply of nitrogen, and so far as the price is concerned, we might as well destroy the plant. If we are to interpret this proposed law and leave it so that it shall be used to sell the stuff to the fertilizer manufacturers of the country, I for one shall vote against the whole proposition, because the burden that is laid upon the farmer to-day is the result of the absolute control of the price of fertilizer by those engaged in the manufacture and sale in this country. It is that point that I desire to emphasize here without going into any retail business. The retailers are provided for now and can sell it to the users and producers and others. The language of the bill provides for it, and I have simply emphasized who should be the beneficiaries of this vast governmental expenditure, whether the manipulator and manufacturer of fertilizer or the man who puts it in the ground and transforms it into the crops of the country.

There are some other features of the bill that, if it does not work out properly, ought to be amended after a practical test is made. I think there are some things here that may possibly be abused, like the powers under the Federal reserve act, an act splendid in itself, but which can be misused disastrously. There is not a law passed but what may be misused under an unwise administration. I think this bill, with one or two amendments, can be placed upon a workable basis, and then let the good sense of the people of the country take care of it as the plant develops and as the needs of the country demand.

Mr. WADSWORTH. Mr. President, the Government has been in business before of a commercial character. We have had some rather unfortunate experiences with it. Our experiences have been unfortunate, I think, in the first instance, because we have not paid enough attention to the prospects of the business we were authorizing the Government to go into. For example, one is the Shipping Board. No attempt was made by Congress when it authorized the Shipping Board to go into the merchant marine business to set up any business standards to which that board should adhere. No reliable estimates were received from the department as to what could be done in the operation of ships, the cost of operation, the cost of construction, maintenance, and repair. The taxpayers, just as they did in the Muscle Shoals project, dumped millions and millions of dollars into the hands of a governmental agency and said to it, go ahead. Now, we are losing money every day in the operation of ships, and the longer they are operated the more good money goes after the bad, because there is no business principle controlling it.

It is the same with this proposed corporation. There is no business principle set up in the bill which will control it to such an extent that it will earn dividends upon the money that the taxpayers have put in. My concern from the beginning has been, as a business man and a farmer, that we shall not duplicate the ridiculous errors we have made in the last three or four years in governmental operations in business. The bill is shot through with imperfections. It is filled with provisions which give the corporation the right to lose all the money it wants to lose. Not one thing is erected here which will guarantee that it will be run upon businesslike lines. No restrictions whatsoever that are imposed upon an ordinary business concern are to be imposed upon this concern.

We sat in the committee and listened to the estimates of the business which they would do, and the men who drafted the bill and brought it to us and testified in its behalf said that they did not want to undertake the erection of a great selling agency to deliver this product by retail, apparently believing that it would not be profitable or that the money coming from it would not equal the outgo. Now the Senator from South Carolina says that is the way it should be done, regardless of what it costs.

Mr. SMITH of South Carolina. No; I did not say that.

Mr. WADSWORTH. Oh, yes; the Senator did. He has stated it time and again.

Mr. SMITH of South Carolina. I said nothing of the kind. Mr. WADSWORTH. Regardless of what the outcome is, he said the product should be sold to the consumer.

Mr. SMITH of South Carolina. I did say that.

Mr. WADSWORTH. I desire to know as a business man the prospect for the successful operation of the plant.

Mr. SMITH of South Carolina. Infinitely more for the enrichment of the soil, the encouragement of agriculture, and for the prosperity of the plant than to get in collusion with the fertilizer trusts of the country and sell, as the Senator from New York seems to insist that we shall sell, to the men who manipulate the fertilizer and who have the farming interests of the country by the throat now. That is the reason why.

Mr. WADSWORTH. That is very inspiring oratory.

Mr. SMITH of South Carolina. It is a very discouraging fact.

Mr. WADSWORTH. Let us have some concern for what we are going to do with the \$140,000,000 we have already invested.

Mr. SMITH of South Carolina. That is exactly what concerns me.

Mr. WADSWORTH. The Senator only day before yesterday stated that he was entirely willing to see the concern run at a loss. I asked him the question myself, and he replied in that way.

Mr. STANLEY. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Kentucky.

Mr. STANLEY. The hearings seem to indicate, as the Senator from New York has said, that they were left no alternative but to sell the fertilizer to the producer or to install a selling agency and the intricate machinery incident to a detailed sale to the consumer. It developed that the sale of fertilizer is such that the article itself, without any such intervening agency, can be sold in wholesale lots, carload lots, direct to the ultimate consumer.

Mr. WADSWORTH. Where does that develop? That is what I want to know.

Mr. STANLEY. There are thousands and thousands of farmers—

Mr. WADSWORTH. I mean the output of this factory. Where can the output be sold?

Mr. STANLEY. The Senator seems to be under the impression that we can not take the output of this factory and apply it directly to the soil, but that it must be mixed with some other fertilizing ingredient. I would suggest that he is in error in that opinion.

Mr. WADSWORTH. Then the testimony before the committee is in error.

Mr. STANLEY. The testimony before the committee was to the effect that a complete fertilizer consists of phosphoric acid, potash, and nitrogen. There are certain plants, like tobacco, for instance, from the leaf of which you can take the stem and set it afire and it will burn like a firecracker. You will see the saltpepper pop and crackle like a fuse. That impoverishes the soil of the potash, as do all plants that take phosphorus. Many plants consume, like all cereals, the nitrogen of the soil. There are thousands of cases where the one element that is needed can be applied. The patient does not always need the three kinds of medicine.

It is a fact as developed in the hearings, as the Senator will recall, that we are about the only users of fertilizer who use a composite fertilizer at all. The Belgians, the Germans, the English, all the horticulturists of Europe, apply their potash or nitrogen or phosphorus as the exigencies of the case and the character of the soil and the nature of the plant demand. We have an idea here that we save time and labor by getting the three and applying them together with a drill instead of applying them separately by hand. But there is no reason why the fertilizer can not be, as it is, wisely and economically administered directly to the soil without either phosphorus or potash.

Mr. KING. Mr. President, will the Senator from New York permit me to suggest to the Senator from Kentucky that the testimony, as I read it, conclusively establishes that approximately but 10 per cent of the ingredients of fertilizers used in the United States, whether it be four and one-half million, or five million, or seven million, or what not tons, consist of nitrates, sulphate of ammonium, and cyanamid. These are perhaps 1 or 2 per cent of cyanamid, a few per cent of sulphate of ammonia, but in the aggregate there is not to exceed 10 per cent of the fertilizer products as used in the United States which consist of what might be denominated the ammoniates or the nitrates, and the balance consists of phosphates and combinations of which potash is the base.

We have in this country, as the Senator has said, a balanced fertilizer for use by the agriculturists. This is preferred to the separate applications of different kinds of fertilizers, because of the high price of labor; but in the Old World, where

labor is cheap, the nitrates or ammoniates and the phosphates and potash fertilizers are placed separately upon the soil. This course involves extensive labor and greater cost than the plan adopted generally in the United States of placing a balanced fertilizer upon the soil at one time.

Mr. STANLEY. If the Senator from New York will allow me, the Senator from Utah is usually so accurate that I am somewhat surprised at his statement. It is fairly deducible from the statements of some of the witnesses published in the hearings, and I am sure the Senator must have in mind the statement of Mr. Washburn to the effect, that what he is talking about is a complete fertilizer, that is four-fifths filler. One-tenth of a complete fertilizer is nitrogen, but four-fifths of a complete fertilizer is hulls or dirt or tankage or something of that sort. There is no fertilizer that is nine-tenths potash or nine-tenths phosphorus. If it were it would burn everything up that was put into it.

Mr. WADSWORTH. Mr. President, the Senator from Kentucky must realize that the farmers in many sections of the country are entirely accustomed to using commercial fertilizers, balanced or mixed fertilizers. For instance, in the section where I live the product mentioned by the Senator from South Carolina is never used. What is used always is the commercial fertilizer purchased from the manufacturers, mixtures of different ingredients, including the ingredient which can be manufactured at plant No. 2.

Mr. SMITH of South Carolina. I beg to say to the Senator from New York that the apple growers of New York appeared with the Senator from New Jersey [Mr. FREELINGHUYSEN] and myself before one of the numerous boards which were sitting when we were trying to get the embargo lifted on the importation of German products, and one of those apple growers testified before the board that he used nitrate of soda as a top-dressing in his orchard and that it was used also by farmers as a top-dressing in truck farming. I took the trouble to look up the table to ascertain, and I find that it is used almost as intensively in the Senator's section of the country as it is in mine. If he will consult with the farmers of his section, he will find that they use nitrate of soda directly from the gunny sacks that are shipped from Chile and then transported to different farms. The farmers haul it out in their wagons, open the sacks, and throw the fertilizer into the distributor or sow it with their hands. It is either sowed broadcast or put into a drill and sowed.

Most often, however, the application of potash to land is not necessary. Take the red lands of the Carolinas and of the piedmont section, and the very redness of the soil indicates the presence of potash. So potash is not needed; possibly, phosphoric acid may not be needed; but nitrogen is necessary. Nitrogen is the most costly element there is, and it is the hardest to get. The cry of agriculturists the world over is for salt-peter for nitrate. That is what makes barnyard manure valuable; it is what makes the deposits of the birds off the coast of Chile valuable. So far as phosphate is concerned, we have it in abundance in Tennessee, in Florida, and in the Carolinas; it is not very hard to get and is comparatively cheap; but the sine qua non, the life of the plant, is nitrogen.

We have provided in this bill that the corporation proposed to be created shall sell this material to the fertilizer manufacturers if they want it; that if there is enough left over after the preferential orders of farmers are filled, it is provided it shall be disposed of to the manufacturers.

When this material can be produced in carload lots or in trainload lots, if the corporation prefers to sell it in that way, in order to keep their estimates in line with what the Senator says they testified before the committee, let them do that; but let them sell the completed ingredients first to the farmers, just as the Senator when the good old days were here and he wanted his "straight"—need not add any dash of soda or anything else. That is what the farmers want; they want their nitrogen straight; they do not want a fertilizer cocktail. Let us now do the sensible thing, and, so far as we can do so by legislation, restrict the sale of this material directly to the producers, to the agriculturists, because it will be available to them, and they will put it in the ground. Do not restrict the corporation as to whether they shall sell it by the sack or by the ton or by the carload or by the trainload; but when they do sell it, under whatever rules and regulations may be prescribed, let us give the farmer the preference.

Mr. LENROOT. Will the Senator from South Carolina yield to me?

Mr. SMITH of South Carolina. Yes.

Mr. LENROOT. I agree with the Senator as to that; but if any of this product is going to be sold to the so-called fertilizer trust, we ought at the same time to regulate the price which the fertilizer trust shall charge the consumer.

Mr. SMITH of South Carolina. Yes; the price they shall charge the consumer who uses the material should be regulated. I myself am of the opinion that the ingredient which is available as fertilizer should be sold to the farmers alone. For what reason? When the fertilizer manufacturer gets hold of it he is going to sell it to the farmer; but it might be very well to leave a margin, for there might be instances, as in the case of New York, where farmers desire a mixed fertilizer, and the fertilizer manufacturer may be in a better position than the farmer to mix the fertilizer.

Mr. WILLIAMS. Mr. President, I suggest to both Senators that their object might be easily accomplished by providing that when sold to anybody except a person who is engaged in agriculture the product shall be sold under contract not to resell at more than 10 or 15 per cent profit upon the price to the purchaser, plus transportation charges, of course.

Mr. SMITH of South Carolina. That is in line with the suggestion of the Senator from Wisconsin. I think it is a good suggestion. Then let us make it impossible for the corporation to lease the properties to anybody else.

Mr. WADSWORTH. May I resume the floor, Mr. President? The VICE PRESIDENT. The Senator involuntarily yielded the floor.

Mr. WADSWORTH. I intend to occupy the floor for only a few moments.

The Senator from South Carolina [Mr. SMITH] has mentioned a practice which is prevalent in some agricultural regions, and I have no doubt his description is absolutely correct. That practice, however, does not exist in other regions, and I have believed from the testimony which I have read and to which I listened to during the hearings that for the proposed corporation to go exclusively into retail business would require the setting up of selling agencies and advertising expenditures. That was the very clear understanding before the committee. I know full well that there are large regions in this country where the average farmer or groups of farmers will not buy large quantities of this product, for they are accustomed to using mixed fertilizers. So they will not buy the product unless the corporation establishes selling agencies and advertises its product. It may be that they will buy it in South Carolina and throughout the Cotton Belt, where they are accustomed to using this particular commodity and putting it on the soil just as it comes from the plant. That, however, in other parts of the country is not true to the same extent, and in some parts of the country the practice does not prevail at all.

If it is contemplated to distribute this product direct to the growers and distribute it uniformly over the agricultural regions, it will be necessary to advertise it to those men who have never used it before else it can not be sold. That is what I imagine the Secretary of War and his supposed experts meant when they said it would be unwise for this corporation to attempt to do a business of that kind.

Mr. SMITH of South Carolina. Mr. President, may I venture to suggest to the Senator from New York that in those places where a mixed fertilizer is used there is nothing in this bill to prevent the fertilizer manufacturer from purchasing this commodity.

Mr. WADSWORTH. No; none at all, but it says that preference shall be given to the farmers.

Mr. SMITH of South Carolina. Exactly; and therefore I am carrying out just what the Senator is now arguing for, because if the farmers know nothing about it and will not use it, then my amendment will be of no avail, for if the farmer does not know its use and does not send in any orders, the product will go to the fertilizer manufacturer, and he will then advertise that he has ammoniated goods, the mixed, manipulated goods, for sale. So we are right where we started. If the people of the Senator's State want mixed fertilizer, there is nothing in the bill to prevent their getting it; whereas, if the people of my State want the product direct from the factory, there is nothing under my amendment to prevent them from getting it. So the Senator from New York and the Senator from South Carolina are exactly where they started.

Mr. WADSWORTH. That is hardly so from a business man's standpoint. I do not know that the Senator, from South Carolina and I speak the same language when it comes to questions of business; I am afraid we do not; but before I would advise a client if I were a banker—and I am not one—to invest his money in an enterprise I would want to know what kind of an enterprise it was.

Mr. SMITH of South Carolina. We do know.

Mr. WADSWORTH. No; we do not know. The Senate does not know to-day what is involved in this tremendous project, and I venture to say there is not one of us here, even including the Senator from South Carolina, who has had access to information which will enable him to form a reliable opinion as to

whether or not the money of the taxpayer is to get any return. I am tired of seeing government conducted in that way. We have had in recent years, time and time again, instance after instance, of such transactions, and yet new projects are constantly brought up, and there is always some one to support them and to say, "Put in more of the Government money; let it go; it is in the interest of the people."

Mr. SMITH of South Carolina. Mr. President, if the Senator from New York will allow me, I wish to point with considerable pride and satisfaction to a bill which I introduced here, which became a law, and which was administered and executed to the benefit of all the fertilizer users—the farmers. I refer to a bill to appropriate, I believe, \$20,000,000 to enable the Government to purchase soda from Chile, bring it to this country, and sell it at cost. Soda was at that time selling for about \$110 a ton retail delivery. The Government sent its ships to Chile, bought soda, brought it back, paid all the overhead charges, put into its own coffers \$16 a ton freight as against a prewar freight of about \$7, and delivered the commodity to the farmers of this country at their local stations from Maine to Florida for \$75 a ton, involving a saving of \$35 to the farmer, while at the same time the Government did not lose a penny but made sufficient to reimburse itself for all time and expense necessary to transfer and distribute the soda.

Mark you, that was a revolving fund, so that not merely \$20,000,000 was involved, but as a certain amount of soda was sold the money was applied to repurchases. I repeat that transaction brought to the farmers of this country a saving of from \$35 to \$40 a ton, which otherwise would have gone into the pockets of the fertilizer trust.

That is an instance where the Government took charge of a business proposition. I might say in passing that the work under that legislation was performed by the Agricultural Department and not by the War Department.

Mr. WADSWORTH. If I could have my way the War Department would have nothing to do with the project now under consideration.

Mr. SMITH of South Carolina. I do not know but that I might agree with the Senator as to that proposition, because the hardest crowd that I have ever encountered was in the Ordnance Department.

Mr. WADSWORTH. But we are going to pass this legislation, if it shall pass, on their testimony.

Mr. SMITH of South Carolina. Yes.

Mr. WADSWORTH. The Senator voted to report from the committee this bill placing those people in charge.

Mr. SMITH of South Carolina. I was amazed to find that some of the gentlemen who appeared before us, Mr. Gaillard, Col. Burns, and Dr. Whitney, were so splendidly informed, as their evidence shows that they were informed, on this subject. They were men upon whom we could rely both as to their integrity and their knowledge of the thing which they were attempting to do.

Mr. WADSWORTH. Does the Senator think that he can rely upon their business judgment in view of the estimates?

Mr. SMITH of South Carolina. Yes; I do.

Mr. WADSWORTH. Did they not have to revise them shortly after they submitted them?

Mr. SMITH of South Carolina. Yes; and there are a great many things which will have to be revised since the recent slump in prices and industry occurred.

Mr. WADSWORTH. I think so.

Mr. GRONNA. Mr. President, if the Senator will permit me, I think that he will remember that Dr. Lamb and Prof. Whitney, of the Agricultural Department, also appeared before the committee and indorsed this bill. I do not say that I would not be in favor of changing the control of this project from the War Department to the Agricultural Department, but I am not debating that question now. Dr. Lamb and Prof. Whitney rank among the ablest men of our country and nobody will care to challenge their honesty and patriotism. I also want to say while I am on my feet that I consider Maj. Gaillard, Maj. Williams, Maj. Burns, and Col. Joyes high-class citizens and able experts. I do not believe any of them has been guilty of any wrong.

I listened to the speech of the able Senator from Wisconsin [Mr. LENROOT] this afternoon, and while no names were given—the names I have mentioned are the names of the officers and experts of the War Department—they are the men who appeared before the Committee on Agriculture and Forestry and gave expert testimony with reference to this question. They, together with Secretary Baker, indorsed this bill. I do not say that the Senator from Wisconsin even indicated that they were the men who were guilty of wrongdoing, but I think it ought to be said here on the floor of the Senate—in the interest of fairness, at least, I want to say that I believe they are among the

ablest men of our country and their testimony is valuable. Maj. Gaillard was at one time employed with the American Cyanamid Co. Nor is it fair to say that it is only the War Department that has recommended this bill.

The Federal Farm Bureau has recommended it, the representative of the Grange has recommended it, and many other farm associations have recommended it, which of course has some influence with the members of the committee.

Mr. WADSWORTH. Let us be perfectly honest about this. I wonder if the Senator from North Dakota believes that the people who have been induced to indorse this bill have read it; that they really know what is in it; or what the history of this transaction at Muscle Shoals has been?

Mr. GRONNA. The Senator asks me if those who have indorsed this bill have really read it, and I shall try to answer him frankly. I do not know whether they have or not; but I must say to the Senator that I do not think the arguments against this bill have been based entirely upon the provisions of the bill. I join with the Senator from Wisconsin in what he said to-day with reference to extravagance and waste, and I just as severely condemn extravagance and waste as he does. There is no question about that; but that really has nothing to do with this bill, because this bill only provides that the Secretary of War shall be permitted to sell Chilean nitrate to the value of \$12,500,000 for a certain purpose, which I shall not take the time of the Senator to name now.

That is really all that this bill does, and the Senator from Wisconsin forgot to state that in this bill provision is made to place its administration under the terms of the national defense act of 1916, and section 124 of that act, I think the Senator will agree with me, provides certain things; and, among others, it provides that the Secretary of War shall direct the administration of these things and how the water power shall be sold.

Mr. LENROOT. Mr. President, I am sure the Senator wishes to be correct.

Mr. GRONNA. Yes.

Mr. LENROOT. Section 124 of the national defense act does specifically prescribe that the Government shall manufacture the nitrate and that power shall not be sold; but this bill expressly removes those restrictions.

Mr. GRONNA. As I said to the Senator the other day, so far as I am concerned I should be perfectly willing to have it amended; but, if the Senator will pardon me, the bill which is before the Senate now does specifically provide that the administration of the bill shall come under section 124 of the national defense act. Is not that true?

Mr. LENROOT. Oh, no; not at all. The President may delegate to this corporation the powers reposed in him under section 124, but the bill repeals the restrictions for the protection of the public that section 124 throws around it.

Mr. WILLIAMS. Mr. President, does the Senator mean to say that it expressly repeals that, or does he contend that it does it by implication?

Mr. LENROOT. Expressly. I have the language here:

In the operation, maintenance, and development of the plants purchased or acquired under this act the corporation shall be free from the limitations or restrictions imposed by the act of June 3, 1916.

It expressly repeals the restrictions so far as this corporation is concerned.

Mr. WILLIAMS. Mr. President, I hope that no part of the Federal legislative body, here or elsewhere, will forget that it is not a function of government to engage for primarily industrial purposes in industrial business. I therefore have no sort of sympathy with the idea expressed by my friend the Senator from North Dakota that he would listen to an amendment to take the administration of this act out of the War Department and put it in the Agricultural Department. Congress did not pass this act with a view of having its primary purpose one of private trade. It passed it with a view of having its primary purpose one of military defense. Now, having fastened this primary purpose to a constitutional purpose, the by-products, the auxiliary beneficences of the plant, can go for agricultural purposes, of course; nor does the fact that they do go that way affect the original purpose.

Mr. President, we have put out millions of dollars upon this plant. About one-twentieth of what we have already put out seems to be necessary in order to make it a paying plant. Some Senators have said that there will be so many new improvements of various sorts that maybe it will not pay, anyhow. That would be a very good reason to cease constructing battle-ships; it would be a very good reason to cease constructing almost anything we are doing, because maybe something might be invented that would render it helpless in its element, whatever that element is. But we have erected the plant for the purpose of contributing to the national military and naval defense; and, finding that there will be an overflow or surplus

of products of various kinds that might be sold for the benefit of the country in its industries and other respects, Senators choose now to attack the question of the surplus products, and forget the original object of the act.

I should be very much opposed to putting this under the hands of the Agricultural Department. I should be very much opposed to the Federal Government going into the business primarily of manufacturing fertilizers. I do not believe that is a part of the function of government at all, except of a State government, if the State government chooses to do it; but that does not affect the fact that if, incidentally to that, this plant may be of benefit to the agriculture of the country we ought to utilize it, just as fully as a man with a blast furnace ought to utilize the by-products that otherwise would go into the atmosphere.

Mr. President, I have heard a good deal about waste in connection with the last war—the World War—and in connection with this plant. Of course, there was waste, enormous waste, immense extravagance. For every slave freed during the Civil War the United States Government alone, not to count the Confederacy, might have paid one thousand times his value and saved money. But neither the Union armies nor the Confederate armies saved any money. They were fighting for their lives, or in one case the South was fighting for its life and the other side was fighting to keep the South with it for a common life—the Union, as they called it.

Mr. President, if my house is afire I do not stop to see how much I shall promise to pay men to help me put it out, especially if my wife and children are inside of it. I do not doubt that there have been extravagances in connection with this plant, as in connection with nearly everything else that contributed to the winning of the war. But, Mr. President, I have heard things rumored around this morning that, if true, ought to be examined into.

I was out in the cloakroom a few moments ago and I heard a gentleman say that he had heard that \$350,000 had been spent for a clubhouse at the Muscle Shoals Dam plant.

That would not be extravagance; it would be malversation. That would be theft, and as this plant has been under the care of Army officers who are usually West Point graduates, and West Point graduates are usually gentlemen, I do not believe that it happened. I do not believe there is a word of truth in it. Why should that rumor have been set afloat in the cloakroom and everywhere else, with a view of hurting this bill?

Mr. LENROOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Wisconsin?

Mr. WILLIAMS. In just a minute. But if that rumor be true, then there is somebody connected with the Army who has been guilty of the malversation charged, who is subject to court-martial, to reduction to the ranks, to shame and to disgrace, and in due time I shall offer a resolution of inquiry in this body to find out if that be true. There can not possibly be any excuse for him or for any man who knowingly indorsed the requisition for that expenditure. If it be untrue, there can not be any possible excuse for anybody who set the rumor afloat. Now, I yield to the Senator from Wisconsin.

Mr. LENROOT. I wish to state to the Senator that it is not a rumor. I read from a report of a committee of Congress making that statement, and giving reference to the page of the testimony.

Mr. WILLIAMS. What committee was it? Was it a committee of the House?

Mr. LENROOT. A committee of the House.

Mr. WILLIAMS. Did it base it upon knowledge or a rumor behind it?

Mr. LENROOT. No; they quote testimony.

Mr. WILLIAMS. Whose testimony is it?

Mr. LENROOT. I do not know. I was reading from the report.

Mr. WILLIAMS. I know West Pointers as a rule are gentlemen. They do not steal, whatever they do. But if there be thieves amongst them, as there was a bribe taker amongst the Twelve Apostles, we have a military and a summary method of getting at them.

The Senator hands me House Calendar No. 214, a report coming from Mr. GRAHAM of Illinois, chairman of the Select Committee on Expenditures in the War Department, one of the subordinate committees of the House of Representatives, and he marks something on page 58. Now, let me see who is responsible for that something. I will read the language marked. I can not trace it back to its author. It must be a part of the report. It reads:

A clubhouse of officials known as First Quarters was built at the extravagant and unwarranted cost of \$341,866. A small building at the gate was built of the finest materials, finished splendidly, and cost probably \$10,000 to construct.

This seems to be the language of the Member of the House who made the report.

Mr. LENROOT. It is a part of the report.

Mr. WILLIAMS. From whom is it quoted? No authority appears for it here.

Mr. LENROOT. The figures show the page of the testimony in the hearings from which the report is taken.

Mr. WILLIAMS. Mr. President, I will read it. It is page 3890 of the hearing.

Mr. LENROOT. Yes.

Mr. WILLIAMS. Has the Senator that before him?

Mr. LENROOT. I have not.

Mr. WILLIAMS. I should be very glad if the Senator would find it and put it in the Record.

Mr. GRONNA. I have it here, and hand it to the Senator.

Mr. WILLIAMS. Let me see who was responsible for that statement. Mr. President, I am tired, for one, of people attacking the character and the veracity and the honesty of men, unless it be done with cause and reason and with punishment to follow it.

This seems to be an extract from a special summary report of Special Agent William J. Neale, in charge of the investigation of air nitrates plant No. 2, at Muscle Shoals, Ala. Now, we have it down as far as he is. Let us see what he bases it on. The Senate must pardon me for taking a little time, because all this is absolutely new to me, and I have come upon the floor to discuss it only because I have made up my mind that if this charge be true, somebody shall be punished, and if it be not true, the liar shall be discovered. Here is Exhibit E. It has nothing to do with it. Here are various operative expenses stated, without any detail in the remarks. There is a lot about temporary workmen's houses, commissary and hospital, cost of maintaining and operating offices, commissary and hospital, including minor expenses, such as telegrams, telephone service, expressage, and postage. Ah, here it is. This is at the bottom of page 3890. This is the basis of the statement in the report:

The report then goes on to deal with additional scope of work, showing that from time to time they were instructed to construct additional buildings, which were not included in the original scheme of construction. Following the interpretation, as had aforesaid been placed upon the contract, a large hotel generally known as First Quarters was constructed at a cost of approximately \$341,866.

A hotel; and it has gotten down in this man's official report, as chairman of the House committee, and in the repetition by the Senator, to the language "an officers' club." The word "hotel" and the phrase "an officers' club" are not identical, or in the slightest degree synonymous; nor does this tell what the purposes of the hotel were. It might have been, for all I know, a hotel with 500 or 1,000 rooms, to take care of the employees engaged out in the country at Muscle Shoals. It might have been substantially a barracks; at any rate, a shelter for everybody and everything.

But let us go on and see if there is further light on it. To repeat:

Following the interpretation, as had aforesaid been placed upon the contract, a large hotel generally known as First Quarters was constructed at a cost of approximately \$341,866. This building may be described as a permanent building and does not bear the slightest earmark of a temporary structure such as would be expected to be found at a munition plant constructed to meet war necessities.

If that be true, that ought to be examined into, because while that would not be a malversation, it would be the wildest possible lack of good judgment. It goes on:

This particular piece of construction will be treated of under a separate head later on in this report. It will be observed later on that this same provision was taken advantage of under the contract * * * for the construction of the power house.

Mr. President, I have no connection with this business; I have no feeling about it. I do not know any of the persons who have been engaged in it. I never met one of the men who has been constructing the Muscle Shoals plant, or if I did, I do not know it, or where to place him. But I am an American citizen, and whenever you talk about corruption in high places, I say you must not stop with talk, and if there has been corruption in connection with this or anything else let us have it out and let no guilty man escape. If he be an Army officer, as in this particular case he must be, then let the Senate and the War Department take the first step by striking his shoulder straps off him, saying to him, in effect, "You are a graduate of West Point, the school that furnished Robert E. Lee to the Nation, the school that has always pretended to turn gentlemen out in America, and it turns out that you are an embezzler of public funds, that you are substantially a thief and a corruptionist. We tear your epaulets off of you. We pronounce you a disgrace and later on we will, with God's help, put you in the penitentiary."

But it turns out that this is not an officers' club, which was the language I heard in the cloakroom, which is the language

used in this report; but that it is a hotel, and maybe if the hotel were large enough and if the purposes of it were sufficiently magnitudinous that amount of money may have been needed in its construction. I do not know what it was intended for; certainly not for mere officers.

Let us forget politics for a time and remember that we have just come through the World War when a great people, dedicating and consecrating themselves to their national interest and to the interest of the world peace and world civilization and liberty, have carried their banners upon their bayonets without a stain, and that it is of the very utmost psychological importance to the American people and their descendants in the years to come that no stain should be thrown upon the great work from which we have just come so successfully, unless that stain be altogether deserved and altogether unavoidable.

There never was a war like it. Even the Confederacy did not fight with as little charge of corruption. The Federal Government during the Civil War had a hundred charges of diabolical corruption where there has been one in connection with this Great War. The Spanish-American War, little by-play and skirmish as it was, had forty where there has been one in connection with this Great War.

The greatest tribute to the American people they have ever paid themselves is the fact that while they passed through this gigantic contest with waste, with extravagance, with hurly-burly, with confusion, yet there was no corruption. Not that there was not a man here and there who stole something, but there never was such a gigantic task so magnificently and so superbly performed, such a grand concept so apparently from God Himself fought to an issue so heroically, so purely, so altruistically, so unselfishly, and so incorruptly.

Let rumors about the corridors of the Capitol stop, or let them be substantiated. No one is withheld by any feeling of kindness from substantiating them. Ah, you hate enough to do it if you could give good cause for it. One of the greatest men known to American history and known to this world, stricken in the heyday of his physical strength and intellectual power, almost stricken to the death, got no sympathy from any politician or any partisan newspaper. If you could prove corruption and bring it next to him somewhere you would not hesitate out of any kindness. You have shown no kindness. You have not shown the ordinary pity and sympathy that I would show for a stranger upon the highway who was physically suffering.

Now, Mr. President, I do not believe that \$382,000 was spent for an officers' clubhouse at Muscle Shoals. I believe that charge is a falsehood. I believe that it is a falsehood that stains the escutcheon of the officer class in the American Army, especially the Engineers, the first subclass of the officer class. But if it be true let us find the one man out of twelve, the Judas Iscariot guilty of it. Let us not take off but snatch off his epaulets, and let us land him in the penitentiary, where he ought to be, but above all things do not let that interfere with the consideration of the bill.

Now, to recur to the bill for a moment. I am in hearty sympathy with a part of what the Senator from Wisconsin [Mr. LENROOT] has said. I should be glad to so amend the bill as to secure and safeguard it in those respects. But I submit that to throw all this expenditure into the rapids of the Tennessee River and let it go without any good, either to the munitions department of the Federal Army or to the farmers of the United States, is a piece of madness which could find its justification only in a devotion to private competitive interests of some description, somewhere, who want to see this scheme fail.

The VICE PRESIDENT. The question is on the amendment of the Senator from South Carolina.

Mr. LENROOT. Mr. President, I move to recommit the bill with the amendment to the Committee on Agriculture and Forestry. In support of that motion I will say just a few words.

The chairman of the committee referred a little while ago to the fact that the bill as it is now before the Senate has been indorsed by many farmers' organizations of the country. I think that is true, but I think it is also true that there is not one of those farmers' organizations indorsing the bill that has done so with a knowledge of what the bill is in its details. I make that statement largely upon the strength of the fact that the other day a representative of one of the leading farm organizations in the country came into my office and said that he would like to talk with me about the bill. I spent an hour with him going over the bill, provision by provision, and when we got through with that examination he said the bill never should pass Congress in its present form. I am very sure that as the members of farm organizations become familiar with the bill, as they will have the opportunity to become familiar if the bill is re-referred to the Committee on Agriculture and Forestry,

they will be among the first to insist upon changes in the measure that will protect the public and the farmers.

I am in favor of the amendment that is now pending, but even with this amendment while such an assault has been made upon the fertilizer trust so-called, it is proposed that after the Government goes to this very large additional expenditure of over \$50,000,000, if the farmers then do not wish to buy this output without any effort upon the part of the corporation to make a retail market, then they can sell to the fertilizer trust, without any provision in the bill for regulating the prices that the fertilizer trust shall charge.

I want to know whether it is proposed that the Government shall expend \$50,000,000 to make nitrate for the benefit of the fertilizer trust, to sell the nitrate to the fertilizer mixers, and then they charge whatever they see fit to the user or the farmer. The Senator from South Carolina [Mr. SMITH], in response to that suggestion of mine, at once said that in his judgment there should be a provision that if the product was to be sold to fertilizer manufacturers there should be an additional provision which would insure a reasonable price to be charged by the fertilizer manufacturers. But that is only one feature. The bill, as I tried to point out earlier in the day, is full of things of this kind, and whether the farmer would ever receive one penny of benefit from the passage of the bill, no matter how much the Government might lose in its investment, would depend entirely upon the attitude of the corporation. They could sell every pound of the nitrates they manufacture to the American Cyanamid Co. or any other fertilizer company, and thus increase the profits of the Fertilizer Trust, so called, under the provisions of the bill.

But the stronger reason, the reason that it seems to me should impel every Senator to vote to recommit the bill, is upon the other ground. The House of Representatives has refused by a vote to go on with the Muscle Shoals Dam and refused an appropriation of \$10,000,000 for that purpose. It is admitted upon all sides that the nitrate plant can not be successfully operated by steam power for the manufacture of fertilizer. They must have water power or they can not operate. What height of folly under those circumstances for the Government to appropriate \$12,500,000, because that is what the proposition means. The nitrate that is proposed to be sold belongs to the Government. If it is sold, the money would go into the Treasury, and it is just as much an appropriation of money as if it went directly out of the Treasury. What folly it would be to appropriate this money to allow the corporation to employ a horde of officeholders, at tremendous expense, upon what everyone admits to be a losing proposition, until such time as Congress determines to go ahead with the Muscle Shoals Dam. That will be determined within the next four weeks undoubtedly. The sundry civil appropriation bill is in the Senate; it came here from the House to-day.

If the Senate shall refuse to go on with the appropriation of \$10,000,000 for the Muscle Shoals Dam there will be only one thing to do, and that is to shut down operations for the present upon the Muscle Shoals Dam. If that is done, no one can justify the passage of the bill at this time.

On the other hand, if it shall be concluded to go on with the Muscle Shoals Dam, if the appropriation is to be made for its completion, then I shall be very glad to join with others in so amending the bill that it shall provide for the operation of the plant and its operation in the interest of the farmers of the United States. If it is recommended to the Committee on Agriculture and Forestry I feel thoroughly satisfied that if the appropriation is made to carry on the Muscle Shoals Dam the committee will go over the bill again, as it should, and will eliminate those provisions which are in the interest, as I view it, of the Alabama Power Co. and the fertilizer manufacturers, and make it a bill in the interest of the farmers, whose interests are intended to be served by it.

Mr. GRONNA. Mr. President, I may say that I have not had anything whatever to do with the drafting of this particular bill. It was introduced by the Senator from New York [Mr. WADSWORTH]; it was recommended by the War Department and it was recommended by certain farm organizations. I wish to call the attention of the Senator from Wisconsin [Mr. LENROOT] to the fact that various farm organizations have indorsed this bill, and to read very briefly from the statement of Dr. T. C. Atkeson, the Washington representative of the National Grange, to be found at page 496 of the hearings. He said:

Mr. ATKESON. Mr. Chairman and gentlemen of the committee, my name is T. C. Atkeson. I am a practical farmer and am at this time the Washington representative of the National Grange, an organization of farmers which has been in continuous operation for 53 years, and is the oldest and most conservative farmers' organization in existence. It has a dues-paying membership of approximately 750,000 and several hundred thousand other members who, from one cause and

another, are temporarily dormant. Personally, and on behalf of this organization, which I have the honor to represent, I desire to make a brief statement in support of the bill now under consideration, or such modification of it as may be deemed necessary to most effectively and efficiently continue the operation of the Government nitrate plant at Muscle Shoals, Ala.

Mr. President, I shall not take the time of the Senate to read further from the statement of Dr. Atkeson, but I wish to read briefly from the statement of a gentleman from the Senator's State, the State of Wisconsin. I refer to the statement of Mr. Charles A. Lyman, secretary of the National Board of Farm Organizations, located at 1731 I Street, NW., Washington, D. C., which will be found on page 500 of the hearings. I read as follows:

Mr. LYMAN. Mr. Bower has submitted the case of the National Board of Farm Organizations. He is chairman of the fertilizer committee which was appointed at the last conference, which we held in Washington on February 19-20 of this year.

Our first resolution bearing on the Muscle Shoals project was adopted August 29, 1918, and is as follows:

The resolution is very brief, and I ask unanimous consent to have it printed in the RECORD in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolution referred to is as follows:

Whereas the building of the great nitrate plant at Muscle Shoals, together with the water power which will make these plants available in time of peace for the manufacture of cheap fertilizer, is the one outstanding feature of necessary war development that will have a permanent influence upon the agricultural industry of the country; and

Whereas we hear with regret that work on this dam has been suspended and thus prevents the realization of the hopes of the farmers that the product of these plants might be available during the reconstruction period at the close of the war, when it would be most valuable—

Therefore we most respectfully appeal to the President of the United States that some method be adopted by which this work can be at once resumed, if consistent with the effective prosecution of the war, with priority orders if necessary only for such material as will be required for the construction that can be accomplished at once, so that these plants with their potential possibilities shall not be idle when their product is no longer needed for destruction, but can at once become an asset of the Government and of vital assistance to the farm lands of the Nation that have been and will continue to be called upon to yield and yield again that man may be fed.

Mr. GRONNA. There is a statement in the hearings, following the statement of Mr. Lyman, by Mr. Nat T. Frame, representing the American Farm Bureau Federation—that is a new organization—of which Mr. J. R. Howard, of the State of Iowa, is president. Let us see what that organization has to say about this new bill.

Mr. FRAME, Mr. Chairman, I am speaking in behalf of Mr. Gray Silver, the Washington representative of the American Farm Bureau Federation. At its meeting in March, at Chicago, the American Farm Bureau Federation adopted this resolution:

"We pledge the farmers of America to the largest possible production consistent with good husbandry, with a view to relieving the world's dire necessities, and invite the workers of all other industries to join us in this spirit of conservation."

Then, after a hearing the report of a committee on investigation of the Muscle Shoals plant, read by Mr. D. O. Thompson, secretary of the Illinois Agricultural Association—on this committee were several scientists from the agricultural colleges—the American Farm Bureau Federation passed this resolution.

This is the resolution:

We support the measure pending in Congress looking toward the operation of the nitrate plant No. 2—

That is coming down to the specific proposition which we are now considering—

at Muscle Shoals for the production of ammonium nitrate.

There was also a statement made by Mr. Benjamin C. Marsh, and although we may not always agree with Mr. Marsh's conclusions, I think we all agree that he is a very honest gentleman and a student. He recommends this particular bill.

Mr. LENROOT. Mr. President, the Senator from North Dakota does not mean to say that Mr. Marsh recommended or indorsed the details of this bill? He expressly declined to do so and said he was discussing only the principle of the bill.

Mr. GRONNA. Since the Senator from Wisconsin has raised that question, I ask unanimous consent that certain portions of Mr. Marsh's statement may be printed in the RECORD.

Mr. LENROOT. I should like to have them printed in the RECORD, because Mr. Marsh expressly stated that he would not indorse the bill, but wished to indorse merely the principle of it.

Mr. GRONNA. Very well. I ask that the statements, or excerpts of them, of all these gentlemen be printed in the RECORD.

The VICE PRESIDENT. In the absence of objection, the portion of the statement referred to by the Senator from North Dakota will be printed in the RECORD.

The matter referred to is as follows:

STATEMENT OF MR. BENJAMIN C. MARSH, SECRETARY AND DIRECTOR OF LEGISLATION, FARMERS' NATIONAL COUNCIL, BLISS BUILDING, WASHINGTON, D. C.

Mr. MARSH. The Farmers' National Council, as I think the members of this committee already know, is a special union of leading National and State farm organizations to carry out their legislative program

adopted here at the Farmers' National Reconstruction Conference, held in January, 1919.

In appearing this morning on the pending Wadsworth bill I want to say that this council has not taken a specific vote upon this measure, but their reconstruction program stresses the fact that agriculture has got to be made profitable, which it is not to-day; and in advocating the principles of this legislation I do so on behalf of the Farmers' National Council, because in our judgment the fertilizer question is a very serious one, and we feel that the principles of the Wadsworth bill will help to make farming more profitable.

I would like to read in two or three statements from official reports, if I may, explaining our position, before taking up, only in a general way as a summary, as I can not go into details, the principles of this legislation.

The CHAIRMAN. There is no objection to that. You may proceed.

Mr. MARSH. The Department of Agriculture made a report, Bulletin No. 798, from the Bureau of Soils, of which Mr. Milton Whitney is chief—and I believe that Mr. Whitney appeared before you in favor of this legislation—the said bulletin being entitled "A Survey of the Fertilizer Industry," by Dr. E. A. Goldenweiser, from which the following statement is quoted, the bulletin being issued under date of October 20, 1919 [reading]:

"The fact that from three-fourths to seven-eighths of the mixed fertilizer sold to farmers consist of inert matter which does not contribute to the fertility of the soil, but on which freight must be paid and which must be ground and bagged and transported, is one of the fundamentals in the fertilizer industry. If a means were devised by which farmers could buy practically undiluted plant food and make up their own mixtures, an enormous saving would be effected, and any method that would decrease the amount of inert matter carried in fertilizers would be of great benefit to the agriculture of the country. The quantity of filler used is only a minor phase of this problem, but perhaps the part of it which is most easily susceptible of improvement while the present general methods prevail in the industry."

In the report of the Federal Trade Commission on the fertilizer industry, issued of date August 19, 1916, made to the President of the United States, of course, the statement occurs [reading]:

"The economic importance of the fertilizer industry, which embraces the production and sale of various fertilizer materials, as well as the manufacture and sale of prepared or mixed fertilizers, is shown by the fact that the value of all commercial fertilizers consumed in 1914 was in excess of \$150,000,000."

Of course, Mr. Chairman and gentlemen of the committee, prices of labor and material have gone up since then, and the best estimate that we can make is that the price paid for commercial fertilizers—and this an estimate that we do not put out as official—must be in the neighborhood of \$300,000,000 to \$350,000,000 at present. I think that is correct, but perhaps there are some gentlemen here who have more careful estimates on that matter.

This report of the Federal Trade Commission goes on to say [reading]:

"Farmers' prices of fertilizer materials for cash purchases in carload quantities have compared favorably with wholesale prices, but farmers' credit prices have often been excessively high."

There seems, however, to be a virtually a monopoly of this business, or substantially a monopoly, for the Federal Trade Commission reports that while [reading]:

"the most of the fertilizers used in this country are purchased in mixed form and not in the form of materials. In the mixed fertilizer industry there are about 800 concerns operating some 1,200 plants, but the seven largest companies, with their numerous subsidiaries and affiliated concerns, control more than 58 per cent of the total output. The two largest sell annually over a million tons each, and in the aggregate about 34 per cent of the total output."

"The prices paid by farmers for mixed fertilizers have been high in comparison with the cash value of the constituent elements, partly because of credit conditions and the expensive distribution methods of the large fertilizer companies; for these reasons also the profits of the large companies have not been large."

I can hardly harmonize these two statements, but apparently the point is that somebody besides the large companies, which have made a considerable profit, have been making a big profit out of these mixed fertilizers, out of this mixed fertilizer business as it is.

But the commission says [reading]:

"Farmers having the cash and the initiative, by buying the materials and mixing them at home, have usually been able to save from \$4 to \$8 a ton."

That would seem reasonable if the farmers are paying, as seems to be the case, for fillers for mixed fertilizer the same price that they pay practically for the essential ingredients of the fertilizer.

It is in the possibility of these researches, conducted in a great Government laboratory at Muscle Shoals, connected with the practical application of their discoveries in connection with a Government-controlled and Government-operated plant, with cheap power available, that we believe our greatest benefits are to be obtained. If these benefits are to be secured to the American farmer in producing food they must be the result of research carried on by chemists who are working in the interest of the farmers of America and not in the interest of private industry. As a definite illustration of our thought along this line I wish to quote a paragraph from Robert Kennedy Duncan, late professor in the University of Kansas, who says about this matter in his book entitled "The Chemistry of Commerce":

"The present-day practical lesson of this whole strenuous successful work lies in the little object lesson it affords of the immense importance which technical science is assuming in our daily lives and in all our industrial operations. The substitution of real knowledge and high technical skill for the 'rule of thumb' of our ancestors has created a revolution in industry. This revolution took its rise in Germany, and it is spreading rapidly to every corner. It is spreading silently, too, because it does not pay to tell. During the next five years the small manufacturer who is swept out of existence will often wonder why. He will ascribe it to the economy of large-scale operations, or business intrigues, or what not, never knowing that his disaster was due on the application of pure science that the trust organizations and large manufacturers already are beginning to appreciate."

This is the method of these big chemical industries in maintaining their supremacy in the field. This committee can bear witness as to the difficulty in obtaining costs of air fixation of nitrogen, and at present there is no information in this country as to the cost of manufacturing aluminum and other electric-furnace products. The policy of the aluminum company is absolute secrecy as to their processes and costs. Since the future of this Government depends upon the prosperity of the agricultural interests engaged in producing the food and clothing of the country, this question, so closely related to food pro-

duction, is removed entirely from a consideration in which the interests of private corporations and their profits are paramount.

These great resources of the country—the water powers—can not better be utilized than, through governmental activity, be harnessed for the service of all the people in the production of the necessary elements required for food production, and Theodore Roosevelt must have visualized the problem that this committee is called upon to solve to-day when he wrote in the Outlook of September 7, 1912:

"The Government must cooperate with the farmer to make the farm more productive. There must be no skinning of the soil. The farm should be left to the farmer's son in better and not worse condition because of its cultivation. Moreover, every invention and improvement, every discovery and economy, should be at the service of the farmer in the work of production."

You have a simple decision to make, gentlemen of the committee. The door is open through the operation of this plant to free the American farmer from the burden of paying the high prices which have been clearly demonstrated to this committee as entirely possible in the matter of producing higher and better grades of phosphate and potash fertilizers, and the choice you must make is whether you will hold this door open and insist that these wonderful possibilities shall be made available to the American farmer in the producing of food, or you will close this door in the face of the need and demand of the public welfare, and hand the key to the corporate interests of the country to maintain their monopoly and their profits.

STATEMENT OF MR. T. C. ATKESON, WASHINGTON REPRESENTATIVE OF THE NATIONAL GRANGE.

Mr. ATKESON. Mr. Chairman and gentlemen of the committee, my name is T. C. Atkeson. I am a practical farmer and am at this time the Washington representative of the National Grange, an organization of farmers which has been in continuous operation for 53 years, and is the oldest and most conservative farmers' organization in existence. It has a dues-paying membership of approximately 750,000 and several hundred thousand other members who from one cause and another are temporarily dormant. Personally, and on behalf of this organization which I have the honor to represent, I desire to make a brief statement in support of the bill now under consideration, or such modification of it as may be deemed necessary to most effectively and efficiently continue the operation of the Government nitrate plant at Muscle Shoals, Ala.

We are in Washington in a spirit of helpful cooperation in our efforts to place before Congress and the various departments the true farmer's viewpoint of the food production problems which are now receiving so much attention, and upon which the welfare of all our people so largely depends. In this spirit of helpfulness we go over these rural problems with the Members of Congress and with congressional committees who have charge of the measures affecting the interest of agriculture, in order that we may, if possible, assist them in arriving at a fair and unbiased understanding of the problems and the points of view of real farmers.

One of the things in which we farmers are always deeply interested is the fertilizer question, as you may see from this action taken by the National Grange at its last session, which was last November, as follows:

"In many sections of the country the use of fertilizers is now a vital need in the production of crops. Any policy which will supply an adequate supply of phosphoric acid, nitrogen, or potash at moderate cost will benefit agriculture and all the people. Already the necessary machinery has been provided, largely at Federal expense. This machinery, if properly turned from war to peace channels, can be made to provide all necessary fertilizer materials cheaper than ever before. The plants used for the production of sulphuric acid for munitions may easily be continued, that the unlimited stores of rock phosphate may be converted into acid phosphate at a minimum of cost. The nitric-acid plants established by the Government for the production of gunpowder should be converted into nitrate plants for the production of nitrogen for fertilizer, thus freeing the Nation from dependency on foreign supply. Of equal importance is the development of methods of securing potash of domestic origin."

This is by no means a farmers' problem only, but is of equal or greater importance to the consumer, for the more farmers pay for their fertilizers the more the consumers must pay for their food products. With the increasing cost of production the price of farm products must continue to increase. Somehow "farming must be made as profitable as any other occupation involving the same amount of investment, business ability, and hard work, or our democracy must fail and our people go hungry."

Any shortage in supply or any increase in the price of nitrogen used for fertilizer must somehow manifest itself in the increased cost of agricultural products, and, judging from the hue and cry about the high cost of living, the people who live in the cities are even more vitally interested in an adequate supply of cheap fertilizers than the farmers are.

All the farmers' organizations in the country favor the continuance of the Muscle Shoals nitrate plant, and, so far as I have seen any expression in the agricultural press, it indorses the same proposition. Numerous editorials have dealt with the question. I shall quote but one, from the American Agriculturist of April 24, as it is typical:

"The queer impression appears to be making headway in Congress that nitrogen is so little needed in agriculture its use should be increased but slowly. At recent hearings it has been emphasized that the improved type of coke oven now saves in the form of sulphate of ammonia the nitrogen which formerly was wasted. But any reduction from present high prices of this coke by-product will have to be compensated for by higher prices for iron and steel. This claim is enough even to make a horse laugh. If steel sold lower when the nitrogen in coal was lost by wasteful coking, steel ought to sell still lower when its nitrogen by-product is secured at so small a cost that any price at which it may be sold ought to represent reasonable profit."

In the questions and answers before the congressional committee that has been investigating the Government nitrate plant at Muscle Shoals there crops up frequently the apparent fear that this vast nitrate plant, if run on business principles by a Government corporation, free of red tape, may be able to furnish nitrogen at lower prices than in other forms of nitrogenous substances. If fertilizer manufacturers and farmers are thus furnished with cheaper nitrogen, the fear also is expressed at Washington that this may put up the price of steel and iron or result in accumulating nitrogen faster than it can be used. All of which is enough to make even a mule laugh.

"No greater blessing could be conferred upon food producers and food consumers than to have nitrogen become available for plant food in unlimited quantities at low prices. Every pound of it would be quickly used by progressive farmers. They never have been able to

get nitrogen enough, regardless of price. Where 1 pound of dear nitrogen is now used for plant food 10 pounds or 100 pounds would be employed if it were cheaper. Instead of arbitrarily restricting the production of nitrogen, whether for the benefit of iron and steel or for exporters of nitrate from Chile, let the United States make every reasonable effort to increase its domestic supply of nitrogen not only by saving the present industrial wastes of nitrogen but also by vastly increasing the fixation of atmospheric nitrogen.

If Washington would only be as solicitous to upbuild agriculture as it is to safeguard the unprecedented profits of labor and capital in iron and steel, fertilizers would be cheaper, the cultivated area larger, food more plentiful, and food prices lower. Incidentally, too, this policy would insure the United States ample nitrogen for defense or offense in war.

"Why all these obstacles to the nitrogenous independence of the United States in peace or war? Why this effort to align fertilizer manufacturers against cheaper nitrogen? They want cheaper raw material just as much as do the consumers of fertilizers. Lower prices per unit of nitrogen, phosphorus, and potassium would enable manufacturers to double and treble their sales of fertilizer. Indeed, the fertilizer industry is still in its infancy, compared to the insatiable demand that awaits its products."

Now, gentlemen, I had prepared a long statement covering in large measure the ground gone over by Mr. Bower. Practically every word of his statement I want to indorse. With this brief statement I am through, unless you wish to ask some questions. I do not want to duplicate the splendid statement he has made. You have heard a great deal of technical discussion of this subject, which I had intended to inject into the record, but it seems to me it is so absolutely unnecessary I am satisfied to rest here.

Senator RANDELL. I understood you to say that your association was strongly in favor of this Wadsworth bill?

Mr. ATKESON. Yes.

Senator RANDELL. You believe it ought to be passed? Or some bill embodying the general idea?

Mr. ATKESON. Either this bill or some modification of it that may be necessary to continue the operation of the Muscle Shoals plant for the production of nitrogen for fertilizer purposes.

Senator RANDELL. How thoroughly has this matter been presented to the farmers of the country? To what extent have you sought to get their views on it in order to speak intelligently for them?

Mr. ATKESON. Replying to your first question, as to how thoroughly it has been presented, the agricultural press for the last four or five years, since 1916, has been carrying editorials and long discussions. I read a splendid discussion of the subject in the Country Gentleman only a few weeks ago. So I think that in a general way you may say they are pretty thoroughly informed as to the necessity for an increased quantity of nitrogen fertilizer.

The only point on which I have ever heard any doubt expressed was as to whether it was a legitimate Government activity to continue this plant at Muscle Shoals. So far as I know, there has been an almost universal agreement that it is a legitimate Government activity, because of its experimental features, if nothing else. The investment has already been made at Muscle Shoals, and even if it were not possible to produce nitrogen commercially at a price cheaper than it can be secured from some other source this plant should be continued to determine whether it is possible to secure all the supply in that manner. It is still in an experimental stage. It is just possible that the time may come when our entire nitrogen supply for fertilizers will be secured more cheaply from the air than from any other source. If that can be done we need not worry about the waste of the coke ovens or the failure to get Chilean nitrate. And whenever it is demonstrated that it can be produced commercially more cheaply through some of these scientific processes private enterprise will engage in the business; and if they can operate more efficiently than a Government plant, as most of us believe—at least I believe they might do so—I think that on that ground alone practically every farmer in this country who has studied the question at all believes that it is a legitimate Government activity at this present stage of atmospheric nitrate development.

Senator RANDELL. Doctor, what do you think of the wisdom of having a great chemical research laboratory carried on in connection with this plant? I understand that is part of the scheme for developing these projects which have been stated here to us by Mr. Bower, and possibly many other projects. Do you consider that as of very great importance?

Mr. ATKESON. Yes; it is, I would say, of first importance.

Senator RANDELL. Why?

Mr. ATKESON. Because we are now in the experimental stage of development of securing nitrogen from the atmosphere. It has only been comparatively a few years, perhaps 25 or 30 years, since it was possible to secure the atmospheric nitrogen which exists around us in such great abundance. By a continuation of these experiments in a great governmental laboratory it is possible we may discover the means by which this atmospheric nitrogen may be secured very much more cheaply than we have been able to secure it up to this time. For that reason, it seems to me, it is of the first importance because of its possibilities.

Senator RANDELL. How about potash? This sample seems to have been produced from Georgia shale in an electric furnace, using hydro-electric power. Would it not be of immense value to this Nation if we became entirely independent of Germany and of France, too, now, for our potash through development in our own country?

Mr. ATKESON. Unquestionably.

Senator RANDELL. Mr. Bower stated that the Georgia shale contained this potash and that they were developing it down there by an electrical process, but that it has not yet been demonstrated to be a success; the cost of it has not been brought out.

Mr. ATKESON. That all goes along with the laboratory that you speak of. We can not get potash from the atmosphere, however.

Senator RANDELL. Not from the atmosphere, of course, but we can get it from the shale. I believe all earth has more or less potash in it, has it not?

Mr. ATKESON. Except sand.

Senator RANDELL. A rich soil, such as we have where I live, contains lots of potash. Perhaps we may develop a process by which we can take it out of the ground. I understand the aluminum people get aluminum out of practically any soil. They have been developing enormously. Now, the label on this sample says: "Ammonium phosphate, containing 14 per cent ammonia and 30 per cent water soluble phosphoric acid"—which I understand is a very valuable combination—"produced by treating phosphoric from the electric furnace with ammonia." Why can we not develop something of that kind in this great chemical laboratory?

Mr. ATKESON. Possibly we can.
 Senator RANDELL. That is immensely valuable to agriculture, just the same as atmospheric nitrogen, is it not?
 Mr. ATKESON. Potash is one of the three essential elements of fertilizer.

Senator RANDELL. And phosphoric acid is the third. So you believe that the chemical laboratory is the most important thing connected with the whole matter?

Mr. ATKESON. With reference to the future, of course.
 Senator RANDELL. I mean, with reference to the future.

Mr. ATKESON. The possibilities for the future.
 Senator RANDELL. I have no further questions.

Mr. ATKESON. I have consumed my time.
 Mr. BOWER. Mr. Chairman, Mr. Lyman, of the National Board of Farm Organizations, desires to present some resolutions.

There are only two of these gentlemen, Mr. Chairman, and they only want to submit some resolutions.

Mr. LYMAN. I just want to put these on record. It will not take more than two or three minutes. I understand the same is true also of Mr. Frame.

The CHAIRMAN. Very well.

STATEMENT OF MR. CHARLES A. LYMAN, SECRETARY NATIONAL BOARD OF FARM ORGANIZATIONS, 1731 EYE STREET NW., WASHINGTON, D. C.

Mr. LYMAN. Mr. Bower has submitted the case of the National Board of Farm Organizations. He is chairman of the fertilizer committee which was appointed at the last conference, which we held in Washington on February 19-20 of this year.

Our first resolution bearing on the Muscle Shoals project was adopted August 29, 1918, it is as follows:

"Whereas the building of the great nitrate plant at Muscle Shoals, together with the water power which will make these plants available in time of peace for the manufacture of cheap fertilizer, is the one outstanding feature of necessary war development that will have a permanent influence upon the agricultural industry of the country; and

"Whereas we hear with regret that work on this dam has been suspended and thus prevents the realization of the hopes of the farmers that the product of these plants might be available during the reconstruction period at the close of the war, when it would be most valuable—

"Therefore we most respectfully appeal to the President of the United States that some method be adopted by which this work can be at once resumed, if consistent with the effective prosecution of the war, with priority orders, if necessary, only for such material as will be required for the construction that can be accomplished at once, so that these plants with their potential possibilities shall not be idle when their product is no longer needed for destruction, but can at once become an asset of the Government and of vital assistance to the farm lands of the Nation that have been and will continue to be called upon to yield and yield again that man may be fed."

That was the first action taken by the National Board of Farm Organizations. The last resolution is shorter than that. This was adopted February 20, 1920:

"Whereas the war emergency needs for nitrogen compounds for explosives resulted in the building at Muscle Shoals, Ala., of an immense plant for fixing nitrogen compounds from the air; and

"Whereas careful estimates of the War Department show that this plant can make an important contribution toward a larger and cheaper supply of nitrogen compounds for fertilizer; and

"Whereas this plant is now idle and action of Congress is required before it can be operated, and whereas a bill has been introduced for this purpose: Therefore be it

"Resolved, That the National Board of Farm Organizations appoint a permanent fertilizer committee, with power to call in such additional assistance as may be needed, to support proper legislation providing for well-considered Government operation of the nitrate plants at Muscle Shoals and to look after such other fertilizer matters as may vitally affect the interests of American agriculture."

Mr. Bower is chairman of that committee and I am a member of it. As secretary of the national board I want to emphasize the point that Mr. Bower has stated the views of the farm organizations belonging to this national board.

Senator RANDELL. You indorse everything he said?

Mr. LYMAN. I indorse what he said, and believe he has made a very valuable contribution to the farmers of the country and to the measure which is before this committee for its consideration.

I thank you, Mr. Chairman.

STATEMENT OF MR. NAT T. FRAME, REPRESENTING THE AMERICAN FARM BUREAU FEDERATION, WASHINGTON, D. C.

Mr. FRAME. Mr. Chairman, I am speaking in behalf of Mr. Gray Silver, the Washington representative of the American Farm Bureau Federation. At its meeting in March, at Chicago, the American Farm Bureau Federation adopted this resolution:

"We pledge the farmers of America to the largest possible production consistent with good husbandry, with a view to relieving the world's dire necessities, and invite the workers of all other industries to join us in this spirit of conservation."

Then, after a hearing the report of a committee on investigation of the Muscle Shoals plant, read by Mr. D. O. Thompson, secretary of the Illinois Agricultural Association—on this committee were several scientists from the agricultural colleges—the American Farm Bureau Federation passed this resolution:

"We support the measure pending in Congress looking toward the operation of the nitrate plant No. 2 at Muscle Shoals for the production of ammonium nitrate."

May I just add that the Government has for a number of years been investing public funds and giving public supervision to this matter of obtaining atmospheric nitrogen, through the work of our experimentations and of the Department of Agriculture, in working out methods of farming which include nitrogen fixing crops—legumes—but that in many large sections of the country the use of legumes is limited by the acidity of the soil, and that in large areas of the country to secure lime to correct that acidity is a very difficult and very expensive matter. Many soils that otherwise would be very productive are now not productive because of the impossibility of getting lime, even under our system of rotation which would take atmospheric nitrogen from the air.

Some of the States have recognized that problem as a proper matter for governmental activity, and the State of Illinois, I understand, operates State lime plants to furnish lime to the farmers at cost of production. The State of Virginia does likewise. The State of Virginia has also fixed a freight rate on lime, looking to the very object that we have in mind in the establishment of this plant to furnish nitrogen. But so many millions of acres can not be put into profitable production

through the use of legumes, on account of the impossibility of getting lime, that this atmospheric nitrogen, which can be brought in concentrated form with a comparatively low freight rate and comparatively cheap transportation, will make productive for food purposes millions of acres in what we would call the less productive sections at the present time.

I thank you, gentlemen.

Senator RANDELL. You indorse the general idea of the bill, I take it?
 Mr. FRAME. Yes, sir. The organization that I represent, comprising about 1,061,000 farmers, at this March meeting—

Senator RANDELL (interposing). Scattered over the country generally?

Mr. FRAME. Twenty-eight States being represented, in all parts of the country—officially indorsed, as I read there, the operation of this plant No. 2. They even had an investigation committee of their own membership who spent some time looking into it, and that committee naturally was listening to the objections that might be raised, and made their report with that in mind.

Mr. BOWER. I might state that that committee visited that plant at Muscle Shoals.

Mr. LENROOT. At this point, if the Senator will yield further, I should like to ask him, as the chairman of the Committee on Agriculture, is he in favor of conferring power upon this corporation to make contracts extending over 100 or 200 years?

Mr. GRONNA. Mr. President, there are many amendments pending to the bill, and I think when we get through with the bill, and after the Senate shall have taken votes upon those amendments, it would hardly be necessary to discuss that question.

I wish to be very frank with the Senator from Wisconsin, and to say that I do not believe that, affecting ordinary business, a State or the Federal Government should undertake to do what private enterprise or private corporations can and will do; but it is my conviction, sir, that every pound and every ounce of explosives used for military purposes should be manufactured by the various Governments of the world, because that would have a tendency to prevent war.

The Senator from Wisconsin will find statements in the hearings in reference to this bill which were made by one of the most distinguished engineers in the world. I refer to Dr. Ernest Kilburn Scott. What does Dr. Scott say with reference to that question? His testimony relative to the matter will be found on pages 283 to 317. He states, in substance, that it was the belief in England that the Boer War was precipitated by the munitions manufacturers. He states further that it is believed by many that it was the German junkers, the Hohenzollerns, and the munitions manufacturers who were largely responsible for the recent World War. That is the statement of a noted Englishman, a gentleman who was a member of the munitions board of Great Britain during the late war. That question, in my judgment, is greater and is of more significance and importance than the economic question whether the Government shall continue to operate plant No. 2 and be permitted to sell a few thousand tons of fertilizer.

Mr. President, I do not wish now to take further time of the Senate. I presume this measure will go over until Monday, and I shall then ask for some time in which to express my position with regard to the bill.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (H. R. 15422) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1922, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House has signed the enrolled bill (H. R. 12337) to provided for the relief of Anthony Sulk, former sergeant, United States Marine Corps, and it was thereupon signed by the Vice President.

HOUSE BILL REFERRED.

The bill (H. R. 15422) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1922, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT TO SUNDRY CIVIL APPROPRIATION BILL.

Mr. UNDERWOOD submitted an amendment proposing to appropriate \$10,000,000 for a nitrate plant, for continuing construction of locks, dams, power house, etc., authorized by the national defense act approved June 3, 1916, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. CURTIS. I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate adjourned until Monday, January 10, 1921, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SATURDAY, January 8, 1921.

The House met at 12 o'clock noon.

The Rev. Charles S. Cole, D. D., of the Brightwood Park Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, our Father, we come at this morning hour to ask Thy blessing upon the tasks of this day. That which we find in our hearts to do may it be accomplished through the power imparted by Thy wisdom and Thy love. We ask it through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF LEAVE OF ABSENCE.

Mr. SNYDER. Mr. Speaker, my colleague, Mr. CROWTHER, desires me to ask unanimous consent that his leave be extended four days on account of urgent business.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

POST OFFICE APPROPRIATIONS.

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15441, the Post Office appropriation bill.

Mr. GARD. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. The gentleman from Illinois moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Post Office appropriation bill, and the gentleman from Ohio [Mr. GARD] makes the point that there is no quorum present. It is clear there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House. The motion was agreed to.

The SPEAKER. The Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

| | | | |
|---------------|------------------|---------------|-----------------|
| Ackerman | Emerson | Kraus | Ransley |
| Andrews, Md. | Evans, Nev. | Kreider | Riordan |
| Babka | Ferris | Layton | Robinson, N. C. |
| Baer | Fields | Leshner | Rodenberg |
| Bell | Fish | Linthicum | Rowan |
| Benson | Gallagher | Loneragan | Sanders, Ind. |
| Blackmon | Gallivan | McCulloch | Sanders, Ia. |
| Bland, Ind. | Gandy | McGlennan | Sanders, N. Y. |
| Bland, Mo. | Ganly | McKeown | Sanford |
| Booher | Godwin, N. C. | McKiniry | Scully |
| Brumbaugh | Goldfogle | McLane | Siegel |
| Burke | Good | Maher | Small |
| Butler | Gould | Major | Smith, Ill. |
| Caldwell | Graham, Pa. | Mann, S. C. | Smith, Mich. |
| Candler | Griffin | Mason | Smith, N. Y. |
| Carew | Hamill | Mead | Steagall |
| Carss | Hamilton | Monahan, Wis. | Steele |
| Casey | Harrel | Montague | Steenerson |
| Coady | Hawley | Moon | Stiness |
| Copley | Hicks | Mooney | Strong, Pa. |
| Costello | Hill | Morin | Sullivan |
| Crisp | Howard | Mudd | Swope |
| Crowther | Huddleston | Neely | Taylor, Tenn. |
| Cullen | Husted | Nelson, Wis. | Thomas |
| Currie, Mich. | Hutchinson | Newton, Minn. | Vare |
| Curry, Calif. | Ireland | Newton, Mo. | Venable |
| Dale | Jacoway | Nicholls | Volk |
| Davey | James, Mich. | O'Connell | Ward |
| Dempsey | James, Va. | O'Connor | Watkins |
| Denison | Jeffers | Olney | Welling |
| Dewalt | Johnson, S. Dak. | Overstreet | Wheeler |
| Donovan | Johnston, N. Y. | Parker | Williams |
| Dooling | Juul | Patterson | Wilson, Pa. |
| Doughton | Kahn | Perlman | Wise |
| Drewry | Kelley, Mich. | Porter | Wood, Ind. |
| Eagan | Kennedy, Iowa | Purnell | Wright |
| Eagle | Kless | Radcliffe | Young, N. Dak. |
| Edmonds | Kincheloe | Rainey, Ala. | Young, Tex. |
| Ellsworth | Kitchin | Rainey, H. T. | |

The SPEAKER. Two hundred and seventy-four Members have answered to their names, a quorum.

Mr. MADDEN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

POST OFFICE APPROPRIATIONS.

Mr. MADDEN. Mr. Speaker, I renew my motion.

The SPEAKER. The gentleman from Illinois moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Post Office appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Post Office appropriation bill, H. R. 15441, with Mr. McARTHUR in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 15441) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1922, and for other purposes.

The CHAIRMAN. The gentleman from Virginia [Mr. HOLLAND] has 53 minutes remaining.

Mr. HOLLAND. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. JONES]. [Applause.]

Mr. JONES of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES of Texas. Mr. Chairman, on January 1 a remarkable statement was made by the gentleman from Illinois [Mr. MADDEN]. Inasmuch as it was furnished to the Associated Press and sent hurtling over the United States, I assume it was deliberately made. It was so unusual in its makeup and character that I desire to read it into the RECORD and to make some brief comments in reference to the same. The statement starts as follows:

For the first time in history the territory which pays the bulk of Federal taxes will have full working control of the House of Representatives after March 4.

That statement seems to have been uttered eagerly by one who believes that money and property rights should be the basis of suffrage in this country. And the gentleman seems to be elated by the fact that, as he sees it, those who have the most money will have absolute control of the Government.

Now, if that is the view of the gentleman from Illinois he should pursue it to its logical and desperate conclusion—that money and wealth should be the basis of control of this Government and therefore of the suffrage in the Government. And if that policy is adopted it would lead inevitably to the conclusion that the man who has \$100,000 should have ten times as many votes as the man who has \$10,000, a hundred times as many votes as the man who has \$1,000, and that the man with \$1,000,000 should have a thousand times as many votes as the man with a thousand dollars. I do not believe in such a doctrine. I believe that every citizen of this Republic, regardless of where he may live or in what section of the country he may make his home, should have an equal voice in the affairs of this Government and in the control of the policies of the Nation. On that basis this Government has grown from simplicity and honor to the proud heritage of freedom and power, and on no other basis can its greatness be maintained, and if it ever deserts that principle the greatness of our country will be its history.

I want to read further:

Checking up the new list yesterday, Representative MADDEN, Republican, of Illinois, found that with the opening of the new session the section east of the Mississippi and north of the Ohio Rivers would have a solid Republican voting strength of 228. The House majority is 218.

In the vernacular of the street, that is "some" statement. In my brief experience in the House of Representatives I have heard some remarkable statements made. I have heard some peculiar expressions uttered by the Members of this House, but never, so far as I have been able to learn in all the glorious history of this country, has a Representative in Congress ever intimated that patriotism, love of country, brains, or ability were to be gauged or determined by the meanderings of the Ohio River or the sluggish flow of the Mississippi. [Applause on the Democratic side.]

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Texas yield to the gentleman from Illinois?

Mr. JONES of Texas. I will.

Mr. CHINDBLOM. Are the figures with reference to the membership in the next House correct?

Mr. JONES of Texas. I have not taken the time to determine that. I assume the gentleman from Illinois, inasmuch as it was evidently a prepared statement and given to the Associated Press, had tabulated those figures correctly.

Mr. CHINDBLOM. That is what the gentleman stated, is it not, that these are the figures?

Mr. JONES of Texas. Yes.

Mr. CHINDBLOM. The gentleman from Illinois did not—

Mr. JONES of Texas. Mr. Chairman, I can not yield further. I expect to read the whole statement before I finish, and I wish to assure the gentleman that the further I proceed the worse it gets, so far as the gentleman's statement is concerned.

Mr. MADDEN's statement indicated:

This section pays 84 per cent of all taxes, with the South and West by joint action paying the balance. This will give the Republicans from the tax-paying belt a fair majority hereafter over all combinations.

The gentleman from Illinois is an influential member of the Republican organization. He is a member of the steering committee of the House of Representatives, which practically controls the legislation brought before the House. I wonder if he expresses the sentiment of that great organization? And if he does, I wonder what the people from the West and the Representatives from the section west of the Mississippi River think of that utterance of the gentleman from Illinois.

Oh, you people from the great grain belt, from the great farming and stock-raising parts of this country, who are proud and have a right to be proud of your accomplishments, what do you think of that expression?

During the recent campaign hundreds of representatives were sent out by the Republican organization throughout the great West, and they told those people in that section that their interests, as well as the interests of the country generally, would be furthered and promoted by the election of Republican Representatives and of those who adhered to the Republican faith. But hardly had they gotten the dust brushed from the elephant that they used in the campaign before this influential member of the steering committee comes forward with the statement that we are to have a sectional control, and by the geographical delineation which he utters he excludes all those people who live west of the Mississippi River and south of the Ohio from his charmed circle.

I am surprised that a man of the ability of the gentleman from Illinois would take such a position. I want to say here that I do not believe the South should control the affairs of this Government, although she has many brilliant men who are capable of doing anything that this Government may need to have done. I do not believe that the West should control this Government, although there are many men who have gone to reclaim that great country and to develop it, and who, toiling in its adverse possessions, have grown strong in its sturdy environments, and who are abundantly fitted to do their part and a large part in the future of this land of ours; and neither do I believe that the people north of the Ohio and east of the Mississippi River should control this Government. But I believe that every man and every citizen of this great Republic, whether he be rich or poor or in moderate circumstances, wherever he may live, North or South, East or West, from Lakes to Gulf, and from sea to sea, should have an equal voice in the affairs of our common country. [Applause on the Democratic side.] That is the basis on which we have grown great. I believe that the American people will endorse that sentiment everywhere.

Now, I do not begrudge that part of the country to which the gentleman from Illinois refers its prosperity or its accomplishments, but I do resent the statement that because of that prosperity or for any other reason it should have the exclusive control of the affairs of this Nation.

Now Mr. MADDEN declared:

And I believe we will soon begin to see a change in sectional or class legislation.

Now, that statement was evidently made in irony, because it conflicts with all the rest of the statement. It is a little like the story I heard of a doctor who recommended to an old darky friend that for a certain illness he should eat plenty of chicken and not go out after night. The darky replied that that remedy was contradictory and impossible of application, as it was impossible to eat plenty of chicken without going out after dark. [Laughter.]

In one breath he says he does not wish sectional legislation, and in the next glories in the fact that he has calculated a way in which a section is to control. It looks like an effort to polish over a viewpoint which should quicken his sense of shame. I have no fears but that everyone will see through this thin veil of subterfuge.

I read again:

Under Democratic administration the South has been in the saddle, and the South pays only 6 per cent of all the taxes.

As everyone knows, many of the securities held in New York and other cities of the North and East have as their basis physical properties in the South and West and over the country generally, and the incomes of the wealthy men in these cities are in a great measure derived from the country at large and from all sections of the United States. In other words, these concentrated profits are chiefly the product of the great industries throughout the Nation, and I deny the right of wealth anywhere to segregate itself and then upon the plea of segregation to exempt itself from its fair share of taxes.

When one considers the fact that many of the intangible securities of this country are held in the North and East and that these securities represent investments all over the Nation and that the income from these nation-wide activities flows into the commercial centers, and when alongside this is placed the further fact that a great portion of the national revenue is derived from the income tax, it will be readily seen that the mere percentage of taxes paid by any one portion of the country will not furnish a fair estimate either of the activities, the industry, the development, or resources of the various sections. I do not know and have not taken time to calculate the portion of the taxes that is paid by the South. I know that whatever taxation has been levied in this country since I have been a Member of Congress, and the only kind which could have been enacted under our Constitution, provided for a uniform application all over the country, and if the South has paid only 6 per cent, or any other percentage of the taxes of this country, it is the South's misfortune, and not the misfortune of that portion of the country to which the gentleman refers. And if the West, according to the gentleman's statement, has paid only 9½ per cent of the taxes, that is the West's misfortune, and I am sure the people of the South and the people of the West would be surpassingly glad to pay an additional portion of the taxes if they could develop an additional portion of the wealth.

Mr. REAVIS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Texas yield to the gentleman from Nebraska?

Mr. JONES of Texas. Yes.

Mr. REAVIS. If the people south of the Ohio and west of the Mississippi were to lie down on the job and destroy the market of those in this favored section, how long would they be paying so large a percentage? [Applause.]

Mr. JONES of Texas. I am glad the gentleman suggested that point, because I intended to touch on it a little later anyway. As a matter of fact the sections to which my friend from Nebraska [Mr. REAVIS] refers, and which according to the ukase of the gentleman from Illinois are to be under the ban in the peculiar economy of this Government, are the agricultural and stock-raising sections, and they furnish the products out of which and from which in large measure the section to which the gentleman refers has grown rich and powerful.

Some laws have been enacted by the Congress of the United States, whether right or wrong I will not go into a discussion, and because of those peculiar laws that portion of the country to which the gentleman refers has grown rich and powerful, and yet the other day when some emergency legislation was drafted which had for its purpose the giving of a measure of the same rights to some of the agricultural sections which his particular industries have enjoyed he voted against and fought against that legislation.

The West is a great country. Within its confines are located much of the Nation's resources, and its potential wealth is almost unlimited in its possibilities. Much credit is due the hardy pioneer who forsaking many comforts and conveniences toiled to transform it in such a way as to make it blossom with the fruits and products of the soil that have done so much to sustain the civilization of this country. In fact, the South and the West are the complements of the other parts of the country. Without us they could not flourish, without their markets we could not prosper. Surely our rights in the Government should not be denied. How much finer if we all join hands to build up the resources of all this broad land.

As a matter of fact the South has not been in the saddle. I have made a list here of the various States in the South, and their Representatives, and they have 113 Representatives in the United States Congress. Now, since it takes 218 to constitute a majority, it would be impossible for these 113 to control the affairs of this Government in the House, even though they all voted in a solid block, and I have known no measure on which they have voted in absolute accord. It would take 105 other Members joining with them to constitute a majority.

I suppose my friend from Illinois might base his accusation on the fact that several of the chairmen of committees were from the South.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES of Texas. May I have five minutes more?

Mr. HOLLAND. I yield five minutes more to the gentleman from Texas.

Mr. JONES of Texas. The gentleman from Illinois might base his statement on the fact that from the South there were several committee chairmen, but as a matter of fact that was by virtue of the seniority rule. I have always doubted the wisdom of the strict enforcement of the seniority rule, but the gentleman from Illinois [Mr. MADDEN] will be one of the

beneficiaries of the seniority rule, and I wonder if he would join in a fight to abolish that rule?

Mr. MADDEN. Yes, indeed.

Mr. JONES of Texas. I will be glad to join him if he will, though I do not often find myself in accord with his views. As a matter of fact, I will state to the gentleman that in the last two years two-thirds of the committee chairmen have been from north of the Ohio and east of the Mississippi River, so that section has been in control all the time on that basis; I cite these facts simply to show the utter absurdity of the gentleman's position.

Mr. LANHAM. Will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. LANHAM. I should like to ask the gentleman if it is not a fact that all the members of the present Republican steering committee, of which the gentleman from Illinois [Mr. MADDEN] is himself a member, live within the limits that the gentleman from Illinois has prescribed?

Mr. JONES of Texas. That is my information. I understand that Mr. MADDEN of Illinois, Mr. DUNN of New York, Mr. LONGWORTH of Ohio, Mr. WINSLOW of Massachusetts, and Mr. DARROW of Pennsylvania constitute the committee, with, perhaps, the speaker, Mr. GILLET of Massachusetts, and Mr. MONDELL of Wyoming as ex officio members. However, the membership of that steering committee has been so difficult to ascertain, and its proceedings have been so secretive, that the membership and personnel of the same might have been changed since I last heard from it. [Applause.]

The gentleman from Illinois says:

Most people have imagined that the landslide put the West on top in the House, but that is wrong.

How does the statement strike you gentlemen from the West? You gentlemen from the West who imagined you had a part in the Republican victory, what think ye of the ideas of the distinguished member of the steering committee of your organization.

The gentleman from Illinois further says:

By their vote in November the people decree that the tail no longer wags the dog in Congress.

According to the gentleman's statement, north of the Ohio and east of the Mississippi River make up the dog and the rest of the people constitute the tail. If that is true that dog has a tail as big as a Persian sheep.

Now, my friends, the whole statement of the gentleman from Illinois [Mr. MADDEN] breathes a spirit that is narrow and sectional, and that should be gotten away from. If I had time I would read a statement from Alexander Hamilton in this connection, but in view of the limited time I have I will not undertake to do so. I would also like to read a statement from Thomas Jefferson. I think both would be for the edification of the gentleman from Illinois.

I believe that the people of this great country should as far as possible get away from sectional and from sectional ideas. I believe in the United States Government, in her history, her institutions, and her people. Knowing the glory of her past, I have implicit faith in her future. Knowing her accomplishments, her triumphs, the things she has done, I believe her glory is in the dawning, but I know that nothing will interfere with her prosperity so much as the attitude of Members of Congress or others in authority who undertake to invoke sectional ideas and sectional thoughts. Since my boyhood days I have been taught a love of country—this whole country, with her broad plains, her fertile fields, her matchless rivers, and her varied industries, and above all a reverence for our great organized Government with its foundation principle of equal rights to all, in which all citizens stand on the same dead level of equality, with the glorious privilege of aspiring to any honor within the gift of a free people; a country of liberty, opportunity, manhood, and fair play and freedom from every form of Old or New World caste and privilege. I believe the American people and the American Congressmen, regardless of party affiliation, will repudiate any such doctrine as that suggested by the statement of the gentleman from Illinois, and that for that reason we will go forward along national lines, and that our future therefore will be triumphantly secure. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Crockett, announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 36.

Resolved by the Senate (the House of Representatives concurring). That the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign a duplicate

copy of the enrolled joint resolution (S. J. Res. 191) to create a joint committee on the reorganization of the administrative branch of the Government, and that the Secretary of the Senate be directed to transmit the same to the President of the United States in compliance with his request.

The message also announced that the Vice President had appointed Mr. FRANCE and Mr. WALSH of Montana members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of Labor.

POST OFFICE APPROPRIATION BILL.

The committee resumed its session.

Mr. HOLLAND. I yield 20 minutes to the gentleman from Texas [Mr. BLACK]. [Applause.]

Mr. BLACK. Mr. Chairman, in discussing this Post Office appropriation bill I do not intend to confine myself to the particular items themselves, because, so far as I know, there is no particular controversy about any of them. It was particularly fortunate that in the reorganization of the Appropriations Committee under the rule that the House passed at the last session of Congress, the framing of this Post Office appropriation bill fell largely to two experienced former members of the Committee on the Post Office and Post Roads, the gentleman from Illinois [Mr. MADDEN] and the gentleman from Virginia [Mr. HOLLAND]. The fact that there are no controverted items in the bill shows that these members have done their work well, and also that the Post Office Department was careful in submitting its estimates.

Mr. RAKER. Will the gentleman yield for a question?

Mr. BLACK. Yes.

Mr. RAKER. The gentleman has made a very remarkable statement. Will he submit to a question on it?

Mr. BLACK. Yes.

Mr. RAKER. That is that this bill was prepared by two distinguished gentlemen, the gentleman from Illinois [Mr. MADDEN] and the gentleman from Virginia [Mr. HOLLAND]?

Mr. BLACK. Very largely prepared under their direction.

Mr. RAKER. They sat with a subcommittee of five—that is, five altogether—on this Post Office appropriation bill?

Mr. BLACK. Yes. I do not mean that the other members of the committee did not discharge their full responsibility in the consideration of the bill, but what I wanted to emphasize was that on account of the long experience on the Committee on the Post Office and Post Roads of the gentleman from Illinois [Mr. MADDEN] and the gentleman from Virginia [Mr. HOLLAND] their services were especially valuable.

Mr. RAKER. Does the gentleman know how much time was devoted to the bill by the Committee on Appropriations, outside of the subcommittee?

Mr. BLACK. I could not answer that question.

Mr. RAKER. Not over 25 or 30 minutes.

Mr. BLACK. I am not a member of the Committee on Appropriations, and of course would be unable to answer the question.

The discussion of facts and figures and the dry details of a great business service, such as that which is rendered by the Post Office Department to the American people, does not lend itself to flights of imagination or well-rounded periods of rhetoric, but nevertheless presents an interesting story when studied by comparison with former periods of our national development.

The present appropriation bill, which covers the next fiscal year, which begins July 1, 1921, carries a total appropriation of \$573,964,721. That is a very large amount. We can better appreciate the largeness of it when we stop to think that we do not have to go any further back than the first two years of President McKinley's administration, 1897 and 1898, to find that the entire expenses of the Federal Government for each of those years were less than the total of this single appropriation bill. The per capita revenue from the Postal Service in 1897 was \$1.15. In 1920 it was \$4.10 and is considerably more than that at the present time. A contrast between the amounts carried in this bill and the Post Office appropriation bill in the first year of Mr. Burleson's administration will show the remarkable growth and expansion of the service during the eight years of the present Democratic administration. In 1914 the expenditures of the Post Office Department were in round numbers \$283,000,000, as against the \$573,000,000 which we provide in this bill. In other words, the present bill carries \$290,000,000 more for the next fiscal year than the Post Office appropriation bill did for 1914, and yet, notwithstanding this very remarkable growth in expenditures, if the present rate of increase in the Post Office receipts is maintained during the

fiscal year 1922, for which this present appropriation is made, there will be no deficit, but, on the contrary, if the incoming administration is as careful and economical in the expenditure of public funds as Postmaster General Burleson's has been, there should be a comfortable surplus to turn into the Treasury. It is true that there will be a very considerable deficit for the present fiscal year 1921, on account of the salary increases provided in the Post Office salary reclassification bill, which we passed June 5, 1920, and the increase in pay to railroads for carrying the mails, which has resulted from the decision of the Interstate Commerce Commission in the railway mail pay case decided several months ago.

It is not my purpose to criticize the salary increase bill which we passed for the benefit of the postal employees or to question the justice of the decision of the Interstate Commerce Commission awarding the railroads higher pay for transporting the mails, but merely to call attention to the fact that these things happened and it could not be expected that the postal receipts would absorb these very large additional expenditures in one year, especially when there has been no increase in postage rates on mail matter, except the third-year increment of the increase on second-class matter. If the Post Office Department does absorb all of these very large increases in expenditure and comes out at the end of the fiscal year 1922 with a surplus it will be a very good showing, indeed, and one that should be pleasing to everybody, especially the taxpayer. If Mr. Burleson was scheduled to be our Postmaster General during such time I would feel very sure that such would be the result.

It remains to be seen whether our President elect, Mr. HARDING, will appoint a good business administrator as Postmaster General and thus give us that efficiency which our Republican friends have talked and written so much about.

SOME FIGURES SHOWING HEAVY INCREASE IN OPERATING COST OF POST OFFICE DEPARTMENT.

I think that if the public were very generally aware of the heavy increases which there have been in the operating expenses of the Postal Service by reason of salary increases and the increase in the transportation cost of carrying the mail by railroad they would be more keenly appreciative of the excellent showing which has been made by the Post Office Department under Mr. Burleson's administration. It has been able to absorb the larger amount of these high costs without the rates of postage being increased, except on second-class matter, and without any very considerable deficit for either the fiscal year 1920 or 1921, the year in which we are now working.

In order that we may have some better understanding of what these increased items of expense have been, I will give some concrete illustrations which I have taken the trouble to compile. The amount of salaries paid to postmasters of all classes for the fiscal year 1917, the year in which we declared war with Germany, was, in round numbers, \$32,000,000. In this bill is carried \$42,300,000 for that item, or an increase of \$10,300,000. In 1917 the appropriations for assistant postmasters, for clerks, supervisory officials, substitutes, auxiliary and temporary clerks here, and so forth, was, in round numbers, \$58,500,000. In this bill these same items aggregate \$127,528,600, or an increase of \$69,000,000. In the same year, 1917, the total appropriation for the City Delivery Service was, in round numbers, \$43,000,000. In this bill it is \$80,700,000, an increase of \$37,700,000. The amount for Railway Mail Service for that year, 1917, was \$29,000,000, and in this bill it is \$48,000,000, or an increase of \$19,000,000. In 1917 the amount for defraying cost of Rural Carrier Service was \$53,000,000, and in this bill \$86,800,000, or an increase of \$33,800,000. The transportation of mails cost \$63,000,000 in 1917. In this bill there is carried \$96,000,000 for that purpose, or an increase of \$33,000,000 over 1917.

There are other items of increase of more minor nature which I could mention in this detail, and which aggregate a very considerable amount. But to recapitulate the ones which I have mentioned, they show:

| | |
|--|--------------|
| Increase in amount paid postmasters..... | \$10,300,000 |
| Increase in amount paid clerks, supervising officials, assistant postmasters, etc..... | 69,000,000 |
| Increase in amount paid carriers, city, etc..... | 37,700,000 |
| Increase in amount paid Railway Mail Service..... | 19,000,000 |
| Increase in amount paid rural carriers..... | 33,800,000 |
| Increase in amount paid railroads transporting mails..... | 33,000,000 |

Increase of 1922 appropriation bill over that of same items in 1917 bill..... 192,500,000

The reason I pick out the fiscal year 1917 for comparison with the present year is because that year was one before the war period set in, and was when we were working on the old basic-salary scales, before we began paying the bonuses and increases in compensation to take care of the increase in the cost of living. Of course, I will readily admit that a considerable amount of the \$192,500,000 increase of present expenditures

over the same items in 1917 is due to the growth of the service, the additional number of employees required to take care of the increased business, and the larger amount of mail hauled by the railroads; but after making all due allowance for these factors, I think it is a safe and conservative estimate to say that at least \$110,000,000 of the \$192,500,000 I have mentioned is due to increases in salaries of postal employees and to higher rates of pay which the railroads are receiving for hauling the mails. The only excuse I have to give for taking up the time of the House in reciting these dry figures and statistics is to emphasize that notwithstanding this very heavy increase of expenses in the Postal Service is due to no fault or extravagance on the part of the Postmaster General or his subordinate officials, but to general causes which have operated to increase the expenses in almost every line of industry, the people are still getting their letters carried for 2 cents and parcel-post rates remain the same, and this in the face of the fact that the railroads and express companies have had to add very heavy increases to their rates. To accomplish this result there must have been some good administrative ability somewhere; and at a time when we have been hearing so much criticism of extravagance and waste and inefficiency in Government service, and so much about the killing of time among Government employees, I want to call attention to the fact that here is one department whose executive head and able assistants and loyal employees have "carried on," and although the railroads and express companies have at times declared embargoes because of insufficient equipment and congestion in their service, due to strikes and other causes, the Postal Service has been uninterrupted and is to-day taking in receipts at the rate of more than one-half billion dollars per year and giving the people of the United States the best mail service they have ever had in their history. This much Mr. Burleson is entitled to have said of his administration.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Yes.

Mr. HUDSPETH. Is there any increase in the appropriation for carrying the star-route contracts?

Mr. BLACK. Probably there is some increase, though I have not followed that particular part of the bill, because the law is that the star-route contracts are divided up into four sections of the country, and the department awards one section one year, another another year, the other a third, and the other a fourth year. Of course, those sections of the country cover a different amount of territory and where conditions vary widely. The appropriation amounts are not the same in each bill. I presume the gentleman wants to know whether or not there has been any appropriation made to readjust contracts that have been heretofore made.

Mr. HUDSPETH. Yes.

Mr. BLACK. In answer to that I will say that the bill carries no such amount and would not be authorized to do so unless there was legislation on that subject, because the Post Office Department would have no right—

Mr. HUDSPETH. I understood a bill had passed providing that readjustment might be made for contracts made prior to June 30, 1917.

Mr. BLACK. That is correct, but that, of course, would not authorize readjustments of contracts made at a later date than that.

Mr. HUDSPETH. A great deal of money has been lost through the increase in traffic, the increase in the mail packages, and so forth, all over the western part of Texas in these star-route contracts, and bondsmen have had to carry the mail.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLACK. Mr. Chairman, I ask the gentleman from Virginia to yield me two minutes more.

Mr. HOLLAND. Mr. Chairman, I yield the gentleman two minutes more.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Yes.

Mr. BRIGGS. Just to make an explanation of the statement referred to by my colleague from Texas [Mr. HUDSPETH]. The relief that is afforded these contractors applies only to those contracts prior to June 30, 1917, for the act was not passed until 1918.

Mr. BLACK. In respect to this matter, I will quote from the report of the Postmaster General, which can answer the question much better than I would be able to do:

Under the act of July 2, 1918, which authorized the Postmaster General to investigate conditions arising from contracts in the star-route service, entered into prior to June 30, 1917, with a view to determining whether readjustments should be made in the compensation rendered, allowances amounting to \$323,970.63 were made during the fiscal year covering 1,274 star routes.

The department goes on to say, of course, that this authority only extends to contracts entered into prior to June 30, 1917, and that it has only a small number of cases that are seeking readjustment at the present time.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Yes.

Mr. BRIGGS. Is it not true that these star-route contracts are ordinarily entered into for a period of about four years?

Mr. BLACK. Yes.

Mr. BRIGGS. And they are entered into in four zones in the United States?

Mr. BLACK. Yes.

Mr. BRIGGS. And if they did not happen to renew the contracts prior to June 30, 1917, and renewed them later than that, the contractors who entered into contracts at that time would get no benefit at all because of the increase in the cost by reason of the war.

Mr. BLACK. There are probably star-route carriers who have been hard hit by war conditions, but the Committee on the Post Office and Post Roads would have to take that up as a separate piece of legislation and it would not be a matter that the Appropriations Committee could deal with under the rules of the House.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. HOLLAND. Mr. Chairman, I yield the gentleman one minute more.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Yes.

Mr. OLIVER. The statement of the gentleman is most interesting and informing. Has the gentleman made any statement showing the great saving resulting to the people through the increase of the Parcel Post System?

Mr. BLACK. Yes; I really intended to devote some of my time to discussion of parcel-post matters, but my time has expired, and I shall discuss it in an extension of my remarks. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLACK. Mr. Chairman, under leave given me to extend my remarks in the Record, I take up the other matters which I was about to discuss where I left off when my time expired.

I have already stated that the Post Office Department is rendering a better and more comprehensive service to the American people at the present time than at any other time in our history, and the proof that I offer for that assertion is the way the people are using it. The present rate of increase in postal receipts over those of a similar period for last year is about 20 per cent, and the same period last year was about 20 per cent more than the year before. The usual average in the increase in postal receipts for a good many years past has been 5.88 per cent. Therefore the best evidence that the people are well pleased with the Postal Service is that they are using it more than ever before.

The railroads are pulling out of their deficit operations because there have been large increases in freight and passenger rates, but the Post Office Department is absorbing its increased cost of operation by economies and increase of business. As an example of the growth in the service, let us take the parcel-post mail matter, which was discussed quite at length yesterday by the chairman of the Committee on the Post Office and Post Roads [Mr. STEENSON] and about which the gentleman from Alabama [Mr. OLIVER] has just asked me.

PARCEL POST.

The parcel post law was passed by Congress as part of the Post Office appropriation bill for the fiscal year 1913, and therefore has been developed under the present administration. At the time it was passed the weight limit was fixed at 11 pounds, but in 1916 a law which Congress passed gave the Postmaster General authority, with the consent of the Interstate Commerce Commission, from time to time to increase the limit of weight of parcels carried in the mails. Under this authority the present Postmaster General has from time to time increased the limit of weight on parcels, until now parcels weighing up to 70 pounds may be carried in the first, second, and third zones and up to 50 pounds in all other zones. During the last fiscal year there were carried 1,250,000,000 parcels, and the average weight of each parcel was 3½ pounds. Thus at least one-half of the weight of mails now carried is parcel-post matter, and the amount of revenue derived therefrom is, I should say, about 30 per cent of the total revenue of the Post Office Department. The revenue on fourth-class matter—that is to say, merchandise—carried in the mails was \$12,000,000 at the time parcel-post rates were established. Mr. Koons, First Assistant Post-

master General, in the hearings before the committee in charge of this bill, says that the revenues from parcel-post matter is now approximately \$140,000,000 per annum.

The Postmaster General in his annual report, on page 21, says of this service:

Although embargoes were placed on both freight and express from time to time in different sections of the country, the Parcel Post Service continued to function properly without a break. As a result new business gained in such emergencies is being retained and business men who formerly used freight and express almost exclusively are now shipping by parcel post all packages weighing not more than 50 or 70 pounds.

AIRPLANE SERVICE.

The Air Mail Service has been established under this administration, and there are now airplane routes operated by the Government between New York and Washington, between New York and Chicago, and from Chicago on to San Francisco, via Omaha and Salt Lake City, and between Chicago and St. Louis. There are also some contract routes of this service. The Postmaster General says, on page 61 of his annual report, as follows:

The cost of operating the Air Mail Service, including interest on investment, the writing off of losses for planes and equipment damaged beyond repair, and including every conceivable expenditure in connection with the flying of the planes, was \$553,156.10. For this expenditure the air mail advanced the delivery of 23,463,120 letters 16 to 24 hours, and at a less expenditure than it would have cost to transport and distribute them on the trains.

Of course, no one can tell just what the future of this branch of the service will be, but it seems to me that its worth and utility have already been thoroughly demonstrated, and, while I would not favor its development along extravagant and impractical lines, I shall be glad to see it have such a progressive development as conditions warrant. In the development of aerial commerce the Post Office Department is leading the way, and I have no doubt that before many years hence the airplane mail carrier will be a very familiar figure. I expect to see before many years our National Capital at Washington connected by airplane route with Ottawa, capital of Canada, to the north of us, and Mexico City, to the south of us.

SUGGESTIONS FOR FURTHER DEVELOPMENT OF THE POSTAL SERVICE.

While the story of the development and growth of the Postal Service from its small beginning in the early days to the present time is a very interesting one, it is by no means a concluded one, and there are many things which can and will be done to increase its usefulness to the people. Some of these things the Postmaster General has suggested from time to time in his reports. The Rural Carrier Service, for example, while doing a very fine work under the present conditions, undoubtedly can be made to yield larger and more satisfactory results. At the present time rural delivery is not giving to its patrons the service which could be given them, particularly in the transportation of parcel-post matter, embracing food products from the farmer to the consumer. These average only about two pieces per route per day, whereas the farmer himself receives packages of merchandise from the city to a very much larger extent than that. I am not attaching any blame to the rural carrier employees for that situation but am simply suggesting these facts because they present a condition of affairs which offers a very interesting field for development. We have heard much during the last few years relative to the need of bringing the producer and the consumer into closer trading relations with each other. Undoubtedly our present system of retail distribution as to some commodities is a very wasteful and extravagant one, and is susceptible of great improvement. The bringing of producer and consumer together can never be accomplished as long as the individual producer undertakes to deal with the individual consumer. That plan is unworkable. Worth-while results can only be accomplished through cooperative organizations of producers who transact their business through competent leadership and where there is standardization of quality and of measurement and where there is responsibility for any unfair dealings.

On the other hand, it will probably be necessary, though possibly not so urgent, that the consumers also deal through cooperative organizations. The Postal Service will then offer the best medium to bring the two together. I am not asking that the Post Office Department act as a selling agency for the producer or as a buying agency for the consumer, for I do not believe that would be wise or practical. The present law governing Rural Delivery Service is entirely too rigid to permit its proper development along the lines which I have suggested. Under the present law a standard route is fixed at 24 miles in length, the compensation at \$1,800 per annum, regardless of whether the route is in a dry, arid country where the roads are nearly always good, or in a section of country where there is heavy rainfall and the roads are frequently almost

impassable. Also there is no difference in compensation whether the carrier delivers 5,000 pieces of mail per month or 40,000.

Mr. Blakslee, Fourth Assistant Postmaster General, in his testimony in the hearings, gave a concrete illustration of the situation which now prevails. He says:

For instance, we have a route near Kansas City of 24½ miles that carries 52,000 pieces of mail per month, and the carrier receives \$1,860. And that route can not be lengthened under any conceivable circumstances, because the man is now working 11 hours per day.

Again he says:

We have up in Connecticut quite a number of routes 16 miles in length which have a large number of patrons and carry a large amount of mail, and it takes the carriers all day to make their deliveries.

Yet notwithstanding the carrier spends his whole day delivering a large quantity of mail on a thickly populated route of 16 miles in length, he only receives \$1,260 per annum, and the carrier who puts in his day in traveling a route of 24 miles in length and does no more work than the man who serves the 16-mile route of the kind I have mentioned, and perhaps not as much, receives \$1,800 per annum.

I submit that these figures present an unfair situation and should be corrected. The Postmaster General and his Fourth Assistant Postmaster General, Mr. Blakslee, have recommended from time to time that administrative discretion be given the department in the establishment of rural routes from 36 to 50 miles in length and of routes 50 miles or more in length on which motor vehicles can be used with reasonable regularity for at least 10 months, and that the minimum rates of compensation of rural carriers shall be those prescribed by the present law, and that the maximum compensation of such employees shall be based on the length of their routes, the time required to serve them, and the number of pieces and weight of mail transported.

I believe that the adoption of some such plan as this would aid the development of the service, would tend to bring about more equitable compensation among the employees, and in all probability would result in some reduction in the appropriation for expenditures in the Rural Delivery Service. I think that Congress at its next session should give serious consideration to this phase of the matter, having in view the improvement of the service.

CONCLUSION.

I do not know that I shall remain on the Committee on the Post Office and Post Roads during the Sixty-seventh Congress. If I decide that I can render better service there, then I will ask to be assigned to it, but I will say this much: If I should be a member of such committee, I shall expect to render all the helpful assistance I can to the incoming Postmaster General under the new administration in making the Post Office Department useful to the American people.

If the next administration conducts the service as well as Mr. Burleson and his able coworkers have done, I for one will be quite well satisfied.

Mr. HOLLAND. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas [Mr. Box].

The CHAIRMAN (Mr. SNELL). The gentleman from Texas is recognized for 12 minutes.

By unanimous consent, Mr. Box was granted leave to extend and revise his remarks in the RECORD.

Mr. BOX. Mr. Chairman, recently by a vote of 295 to 41 a bill suspending immigration was passed by this House, in which vote the will of the American people spoke, and party lines disappeared. But powerful influences oppose restriction. Two of these are:

First. A demand by the foreign born among us that their kinspeople and racial comrades be admitted freely.

Second. Individual and corporate greed which disregards the present and future welfare of the mass of Americans and their children, because it wants money and power over labor.

The Inter-Racial Council is a mouthpiece of the opposition of these two groups. To it I invite your attention. The membership of that organization is not negligible from the standpoint of numbers, wealth, ability, or influence. That membership consists of three classes, which are:

Individual, racial, and industrial.

Among its individual members are: Coleman F. Du Pont, Cleveland H. Dodge, Philip T. Dodge, Pierre S. Du Pont, Louis Marshall, and many others holding similar views as to immigration and its control.

Among its racial members are very many names which I can not pronounce. I am including some of them here: Samuel S. Auerbach, New York; Gustav Amlund, Canton, S. Dak.; John Aspegren, New York; Arpad Barotl, Chicago; John Budilovsky, Chicago; Jock K. Chung, Brooklyn; S. Dadakis, New York; Udaldo Guidi, Boston; Sophus Hartwick, San

Francisco; Clement Ihrisky, New York; G. Poy Lee, New York; Isaac Mikkal, Philadelphia; P. Norkus, Brooklyn; Constantin Norkus, South Boston, Mass.

These are but a trifling fraction of the list of their racial membership, taken from here and there at random.

A partial list of their industrial membership, which I shall give later, is very remarkable indeed.

I want to speak now briefly of their activities and plan of work.

I now hold in my hand a letter from Mr. Coleman Du Pont, chairman of the board of directors of the Inter-Racial Council, which I received several months ago. The first sentence in this letter is:

America is about 4,000,000 workmen short in its basic industries, and at least a million immigrant workmen are planning to return home as soon as passport and food conditions will permit.

The second sentence is as follows:

There are over 100 bills pending in Washington which if passed will not only shut out the future supply of workmen, but will prevent many from returning to this country who will go back to attend to their affairs.

In a recent communication, to be released January 3, 1921, Mr. Du Pont as chairman of the board of directors of the Inter-Racial Council attacks the measure which recently passed the House and is now pending in the Senate, saying that "it fails to apply scientific treatment to immigration," and that "it would shut out the immigration of able-bodied unskilled workers," and urging other objections to it. Under date of April 22, 1920, the Inter-Racial Council said:

In view of the attempts made in Congress to suspend immigration for periods varying from 2 to 50 years, it is interesting to notice that some corporations are beginning to consider the possibility of erecting plants in foreign countries, where they can secure the labor which has been in the habit of migrating to America.

The threat by these corporations and their mouthpiece, the Inter-Racial Council, in these words is not even veiled. In another letter, dated May 26, 1920, the Inter-Racial Council says:

Already they are talking about the hordes of laborers that are going to swamp this country and about the dangers that threaten us.

In the same letter they say:

If every ship available to-day were packed to its capacity on every trip for the next two years, they could not bring over here more than a million and a half of workers for factory, farm, or household, all of which the country needs.

In another letter, dated New York, December 8, 1920, the president of the Inter-Racial Council says:

If there has been any danger to America, it has not been from the immigration of foreign born to this country. The danger has been from the departure of foreign born, from the lack of sufficient numbers of foreign-born workmen in the industries that depend upon foreign-born labor, from the restrictionist attitude of some of our people.

These quotations show the drift of this stream of letters sent to Members of Congress. I have a considerable collection of them. They are in line with the following quotation from a recent letter from the Federation of Construction Industries:

The business men of the United States will need to exert themselves actively, both individually and as associations, if the disaster to the country arising from the stopping of immigration is to be averted.

The Inter-Racial Council is a concern of some magnitude. Some months ago it had 40 or 50 executives and other full-time paid employees in its offices in New York, and an unascertained number of other agents and employees. It is financed, in part at least, by its industrial or subscribing members, numbering several hundred. The following are some of its subscribing members, whose names I get from its printed literature and from the testimony of Mr. Mayer, its executive secretary:

Phelps Bros. & Co., "owners of an Italian steamship line"; the International Mercantile Marine Co., Barber Steamship Lines, Cosmopolitan Shipping Co., Downey Shipbuilding Corporation, France & Canada Steamship Co., Green Star Steamship Co., Pacat Steamship Co., Pacific Steamship Co., Todd Ship Yards Corporation, Standard Oil Co. of New Jersey, Allegheny Steel Co., American Beet Sugar Co., American Locomotive Co., American Woolen Co., Armour & Co., Atlas Powder Co., Chattanooga Coke & Gas Co., Colt's Patent Firearms Manufacturing Co., General Electric Co., Henderson Shipbuilding Co., Hillman Coal & Coke Co., Indiana Pipe Line Co., Inland Steel Co., Kelly-Springfield Tire Co., Lackawanna Steel Co., National Sugar Refining Co., National Shipping Co., New Home Sewing Machine Co., Oliver Iron & Steel Co., Pennsylvania Coal Co., Pennsylvania Coal & Coke Corporation, Pennsylvania Textile Co., Phelps-Dodge Corporation, Southern Cotton Oil Co., Standard Steel Car Co., Studebaker Corporation, Underwood Typewriter Co., Worthington Pump & Machinery Co., Bethlehem Steel Co., Cudahy Packing Co., Dold Packing Co., Du Pont de Nemours & Co., General Motors Co., Libby, McNeil & Libby, Swift & Co.

These are only a few of the several hundred big financial, industrial, and steamship concerns whose money is financing the propaganda of the Inter-Racial Council. It will be noted that many steamship companies are among them. One list of these subscribing or industrial members will be found in the committee hearings of April 22, 1920; another list, containing some names not given in the testimony, will be found printed on the literature of the Inter-Racial Council.

These subscribing members pay annual membership fees amounting to as much as \$2,500 for some concerns, and more than that for a few, and smaller sums for each of many others. "It runs from \$100 a year to \$2,500, as an average. A few are larger." (Testimony of Mayper, executive secretary, p. 167.)

The expenditures of the Inter-Racial Council in certain of its activities, which manifestly do not cover all of them, amounted to \$213,955.19 for the period beginning March 1, 1919, and ending March 31, 1920. (See testimony, Mayper, p. 167.) That was the first year of its existence. Its activities have continued with apparently increased magnitude, but I am without information as to later expenditures.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BOX. Yes.

Mr. BLANTON. Is it any wonder, then, that this splendid piece of legislation has been sidetracked and held up?

Mr. BOX. It is not any wonder, but it is an ominous thing if the will of the American people is to have to give way to influences like these. Nothing but a sense of duty prompts me to present these facts as they have been disclosed. The statement that I have made is based upon testimony. I have the hearings. They have not yet been printed, but I can refer any gentleman to the testimony if he wishes to see it.

These facts show—

First. That hundreds of big financial industrial and shipping concerns, such as those named, are financing the activities of the Inter-Racial Council.

Second. That an important part of the work of that concern is to advocate the abolition of the literacy test, to open wider the door of immigration, and make it easier for illiterates and others to get in, and to procure the admission of millions of illiterate laborers.

Members of Congress and the people who wonder why we are unable to procure satisfactory legislation on this subject will find in the facts stated a showing of the attitude of certain groups, and in that at least a partial explanation of the difficulties met by the Congress in its efforts to protect the Nation against the peril which alarms the people and is real.

People representing these powerful groups came before your Committee on Immigration and Naturalization, gentlemen, and requested an arrangement be made to admit as many as 4,000,000 laborers, stating that it would be best for them to bring their families with them. The gentlemen whom I have named have been actively identified in a propaganda for admissions and against restriction and have a powerful organization, as shown by the testimony, a full copy of which I would like to have inserted in the Record but for the fact that it is so voluminous. I say these things, gentlemen, not because I want to be sensational or to take up the time of the committee with unimportant matters. My judgment is that the measure which we passed was too weak rather than too strong. I believe it represented America's natural, intelligent impulse of self-preservation. I believe it represented the will of the American people. [Applause.] I believe that will is being defeated or in danger of it. To you and such people of America as will read these words I appeal for hearty, energetic, vigorous, and unrelenting support of what America feels is a necessary protective measure. [Applause.]

The CHAIRMAN. The time of the gentleman has expired; all time has expired, and the Clerk will read.

The Clerk read as follows:

Office of the Postmaster General: For gas, electric power and light, and the repair of machinery, United States Post Office Department equipment shops building, \$7,000.

Mr. NEWTON of Minnesota. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I ask unanimous consent to proceed out of order for five minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed out of order for five minutes. Is there objection?

Mr. MANN of Illinois. On what subject?

Mr. NEWTON of Minnesota. On the subject of the Department of Labor and visé control.

Mr. GARD. I have no objection, if there is to be a like attitude to be shown on this side to gentlemen to proceed out of order. I have no objection.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. NEWTON of Minnesota. Mr. Chairman, several days ago this House gave several days to the question of immigration restriction. I think it was the consensus of opinion that additional legislation was needed, but that we would have much less of an immigration problem if there was a better administering of the provisions of existing laws.

As I said a day or two ago, the Immigration Service has some very conscientious and efficient workers. This is especially true at Ellis Island, but it must be remembered that the Immigration Service is a bureau in the Department of Labor and is subject to the policy of the head of that department.

The Department of Labor has announced and is putting into effect a policy relating to certain immigrants that is in clear and direct contravention of the laws of our land. The violation is so clear that it merits the attention of the law-enforcing officers of our Government.

Mr. Chairman, during the war, for the purpose of better regulating the entry into this country of people from other countries, especially from Europe, Congress, in May, 1918, made it unlawful for an alien to enter this country except upon a passport viséed by a United States consul. The President was authorized to put the act into effect by proclamation and to prescribe therein the necessary rules and regulations, and to provide for such exceptions as he might deem advisable. On August 18, 1918, the President issued his proclamation, thereby putting the act into force and effect.

The act and proclamation continued in force and effect, and on October 19, 1919, Congress, appreciating the continued necessity of carefully scrutinizing many of those seeking to enter this country following the cessation of hostilities in Europe, passed the passport control extension bill, which became a law in default of the President's signature on October 29, 1919. This law extended the provisions of the passport control act to March 4, 1921. This law is in force and effect to-day, or rather it is the law, and would be in force and effect to-day if certain officers of the Government were not violating it.

The proclamation of the President likewise continues to be the authority as to the rules and regulations and the providing for exceptions in certain cases.

Now, then, the Secretary of Labor is permitting aliens to enter this country without the necessary viséed passport and in spite of explicit refusals from the State Department, under their power, delegated by the President, to make exceptions, to waive the question of the visé.

Mr. TEMPLE. The Secretary or the Assistant Secretary?

Mr. NEWTON of Minnesota. The Department of Labor, acting through the Assistant Secretary, Mr. Post. I do not know what is the personal attitude of the Secretary of Labor. However, it is certainly the policy of the department of which he is the head. I therefore take it that it is his policy.

In the law mentioned it is made unlawful—

(a) For any alien to enter or attempt to enter the United States except under such reasonable rules, regulations, and orders and subject to such passport, visé, or other limitations and acceptance as the President shall prescribe.

It will be noted, therefore, that it is made unlawful to enter except upon a viséed passport, with provisions for exceptions to be prescribed by the President. There can be no question, then, as to the law applicable.

I now quote from the proclamation by the President setting forth certain rules, regulations, limitations, and exceptions:

SEC. 2. No alien shall receive permission to * * * enter the United States unless it shall affirmatively appear that there is reasonable necessity for such * * * entry, and that such * * * entry is not prejudicial to the United States.

SEC. 3. * * * nor shall anything contained herein be construed to suspend or supersede any rules or regulations issued under the Chinese exclusion law or the immigration laws, except as herein expressly provided; but the provisions hereof shall, subject to the provisions above mentioned, be regarded as additional to such rules and regulations.

In other words, these rules and regulations are to be considered as in addition to and supplementary of the existing immigration laws. This would seem to make them a part of those laws. The provision certainly enjoins on the officers charged with the responsibility of enforcing our immigration laws the duty of enforcing the passport control law and these rules and regulations.

I quote further from the President's proclamation:

SEC. 4. I hereby designate the Secretary of State as the official who shall grant, or in whose name shall be granted, permission to aliens to depart from or enter the United States: * * *

I hereby direct all departments of the Government to cooperate with the Secretary of State in the execution of his duties under this proclamation and the rules and regulations promulgated in the pursuance hereof.

* * * The Secretary of Labor shall, at the request of the Secretary of State, * * * appoint a representative to render to the Secretary of State or his representative such assistance and advice as he may desire respecting the administration of this proclamation and of the rules and regulations aforesaid.

It will be noted that the President expressly enjoins the Secretary of Labor to assist and cooperate with the Secretary of State in the enforcement of these provisions. Has the Secre-

tary of Labor done this? No. He has, on the other hand, done exactly the contrary.

This proclamation is followed by an Executive order, a portion of which reads as follows:

SEC. 1. * * * The Secretary of State is hereby authorized, in his discretion, to prescribe exceptions to these rules and regulations governing the entry into and departure from the United States of citizens and subjects of the nations associated with the United States in the prosecution of the war.

It will be noted, therefore, that the power to provide exceptions resting with the President was delegated to the Secretary of State, and the Secretary of State alone. The Secretary of State then alone has the power to waive these visé requirements.

Congress deemed the enforcement of this act of such importance that it provided a severe penalty for its violation, as follows:

That any person who shall willfully violate any of the provisions of this act, or of any order or proclamation of the President promulgated, or of any permit, rule, or regulation issued thereunder, shall upon conviction be fined not more than \$5,000, or if a natural person, imprisoned for not more than five years, or both.

A violation, therefore, of the act, or of the proclamation, is made a crime with a severe penalty.

It is perfectly clear, therefore, that every entering alien must have a viséed passport issued under the regulations of the State Department, unless the State Department expressly waives the provision.

Now as to the facts substantiating my statement: The Department of Labor is to-day, and has been for some time, I do not know how long, admitting aliens from Europe into America who do not bear viséed passports, and that they are doing this in instances where the State Department has expressly refused to waive the requirements. I know of several such instances.

This, then, is the situation: This law and the accompanying regulations makes a certain entry unlawful and subjects the alien entering to a severe penalty of fine or imprisonment, or both. Yet we find the Assistant Secretary of Labor assisting, aiding, and abetting these men in entering this country in violation of our law. Without his help they could not enter. Knowingly and willfully he is not only permitting them but is aiding them to enter this country.

Mr. BLANTON. Will the gentleman yield there?

Mr. NEWTON of Minnesota. I will.

Mr. BLANTON. I have been calling the attention of the gentleman for two years to just such acts on the part of this official, and yet the gentleman's party having power has taken no steps whatever to get rid of him.

Mr. NEWTON of Minnesota. Yes; the gentleman's party has taken steps, because his party went out before the country this last fall and the people sustained the position of the gentleman's party, and there is going to be a change after the 4th of March in reference to the official in question.

Mr. BLANTON. Why wait until the 4th of March? We have had a number of resolutions pending, and if passed it would not be necessary to wait.

Mr. NEWTON of Minnesota. It seems to me the Secretary is either violating the law of the land or at least is coming perilously close to subjecting himself to criminal prosecution under the statute.

Mr. FESS. Will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. FESS. Does the gentleman know whether the Secretary of Labor contends that there is no law or is he openly disregarding it?

Mr. NEWTON of Minnesota. The Secretary of Labor is openly disregarding the law and holds that the law does not pertain to him; that he has nothing whatever to do but the enforcing of the immigration law, and that this is not an immigration statute.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NEWTON of Minnesota. May I have two minutes more?

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for two additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. NEWTON of Minnesota. And may I say in this connection that section 3 of the proclamation as read refers to the immigration laws, and then provides that the proclamation shall be regarded as additional to such immigration rules and regulations. It certainly is the duty of the Secretary to enforce immigration laws.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. NEWTON of Minnesota. I promised to yield to the gentleman from Texas.

Mr. FESS. Will the gentleman yield further?

Mr. NEWTON of Minnesota. Yes.

Mr. FESS. In reference to whether it is ignoring the law or not, the gentleman will recall the very heated contest between the Department of Justice and the Department of Labor in the last session, in which there were continued hearings. In that case the Department of Labor seemed to contend that they had a latitude in interpreting the law, and the two were widely different, but each claimed that they were still under the law.

Mr. NEWTON of Minnesota. My understanding is that they admit this is the law, but that the State Department in deciding whether or not they will visé or waive a visé, consider whether or not the applicant would be desirable under our present immigration laws. That the State Department in this way would absorb their jurisdiction.

Mr. CONNALLY. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. CONNALLY. I would like to know whether or not there are, in this particular, instances of the abuse of this power in the mind of the gentleman? I have heard these general charges made, and I do not take issue with the gentleman in that.

Mr. NEWTON of Minnesota. I will cite to the gentleman the case of Arthur Chogres, as near as I can make out his name. He was one of four stowaways. I have been at Ellis Island, as perhaps the gentleman has, and I have seen some of the stowaways. Some of the worst characters on earth come in in that way. Here was a stowaway that was permitted to come into the country without a viséed passport, in violation of the law. The Department of Labor let him in despite the refusal of the State Department to make an exception in his case. I know of other cases as well.

Mr. TEMPLE. Will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. TEMPLE. Does the gentleman know of any instance in which the Assistant Secretary of Labor has defaced or erased any provisions from the formal paper prepared for use in such cases?

Mr. NEWTON of Minnesota. Yes. I know of this in a particular case that came to my attention. It is the Geitz case. I requested to see the file, and after some difficulty saw it and examined it. The opinion prepared for the Secretary to sign provided for the immigrant's admission, provided the State Department waived the visé provision. The typewritten portion containing this proviso was stricken out with a big, broad pen line through it, and the opinion was signed by the Assistant Secretary of Labor, Mr. Post.

Mr. BYRNS of Tennessee. I was wondering whether or not the gentleman was certain that the individual to whom he has referred has been finally admitted, or whether he was simply admitted pending a final decision as to whether he should be permitted to remain in this country or not.

Mr. NEWTON of Minnesota. I do not know whether he is at this time actually in the United States. I do know the order was made and signed by the Assistant Secretary of Labor unconditionally permitting him to come in, regardless of the action of the Secretary of State. How long is this department to be permitted to aid and abet in the violation of a criminal statute, and how long is a Cabinet officer to be permitted to violate the explicit directions of his chief, the President of the United States? [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

The Clerk read as follows:

For traveling expenses of inspectors, inspectors in charge, and the chief post-office inspector, and for the traveling expenses of four clerks performing stenographic and clerical assistance to post-office inspectors in the investigation of important fraud cases, \$447,000.

Mr. GARD. Mr. Chairman, I move to strike out the last word of the paragraph contained between lines 12 and 16, on page 2, for the purpose of making an inquiry of the chairman of the subcommittee on post-office appropriations of the Committee on Appropriations, of the manner of the establishment of the different grades in which they receive the pay of post-office inspectors. I notice in reading the hearings there are grades characterized as grades 3, 4, 5, 6, and 7. This is a very important branch of the service, inasmuch as it has to do with the work of facilitating the mail to the people of the United States.

Mr. MADDEN. In the act of June 4, 1920, there was a complete reclassification of all the Postal Service. It reached to the supervisory officials and to the postmasters all over the United States. A different system of receipts was provided in fixing the compensation of a postmaster and a different system of receipts for assistant postmasters than had theretofore existed. And up to that time clerks and carriers had always been classified in various grades of 1, 2, 3, 4, 5, and 6. The inspection was never had. That law provided the grades and

fixed the compensation, and this appropriation is being made in compliance with that law.

Mr. GARD. Is there a provision for automatic advancement?

Mr. MADDEN. Yes; one year's service in a grade entitles the man in that grade to the next highest grade automatically, provided his record justifies it.

Mr. MANN of Illinois. Mr. Chairman, I move to strike out the last word. I notice the appropriation for traveling expenses of inspectors seems to be increased manifold. I believe it is now \$91,000, and this proposes to make it \$447,000. Of course, there has been some increase in railroad fares, but that is such a large increase I wondered why it was.

Mr. MADDEN. The per diem allowance for inspectors in the field up to this time was \$363,500, and that is consolidated with another item, which together makes \$447,000 and some odd dollars.

Mr. MANN of Illinois. The traveling expenses at present, under the present appropriation, are simply for the railroad fare and Pullman, and there is a separate appropriation for per diem?

Mr. MADDEN. Per diem; yes.

Mr. MANN of Illinois. And this is a consolidation?

Mr. MADDEN. Yes. The per diem amounted to \$363,500, and we added the other item to that, which makes the greater amount. We put them all in one item.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

For compensation of a special assistant to the Attorney General to assist in the defense of cases against the United States arising out of the transportation of the mails, and in other cases and matters affecting the postal revenues, \$6,000.

Mr. GARD. Mr. Chairman, reserving a point of order against the paragraph just read, covering lines 5, 6, 7, and 8, I beg leave to inquire of the chairman why the necessity for this item carrying \$6,000 for a special assistant, in view of the fact that the Post Office is well supplied with legal advice through its solicitor and the assistant solicitors of the department? What is there that requires a special appointment in this case?

Mr. MADDEN. The gentleman who occupies this position is Mr. Stewart, formerly Second Assistant Postmaster General. He tried all the divisor cases through the courts, representing the Post Office Department in all of the cases. A good many years ago the question came up whether the pay for railroad mail carriage should be founded on a basis of six days' carriage per week or seven days per week, and later on, after Mr. Stewart was relieved of his position as Second Assistant Postmaster General and the railway mail pay question was referred to the Interstate Commerce Commission for adjustment, he was retained by the Postmaster General under a law providing for his appointment to try those cases, and he tried before the Interstate Commerce Commission the cases which have just been concluded, but against the judgment of which there is an appeal pending, and the gentleman's services will be necessary in the trial of the cases on appeal.

Mr. GARD. I notice that the gentleman states that the provision is authorized by the act passed June 28, 1916. That is this special provision for the appointment of this man?

Mr. MADDEN. Yes.

Mr. GARD. Have we been continuing this appropriation all the while for Mr. Stewart since he ceased being Second Assistant Postmaster General?

Mr. MADDEN. Since he was released from his services as Second Assistant Postmaster General he has been occupying this position.

Mr. GARD. I take it that this authorization just refers to the fact of the authorization, and the appropriation continues it from year to year.

Mr. MADDEN. No. The appropriation was not made as a perfunctory matter. It was made because of the knowledge of the facts possessed by this man in the cases. It was made because the committee knew that litigation was pending, and the committee also knew the conditions on which the appeal was taken. For example—

Mr. GARD. Do I understand that it is just on account of the appeal of these cases that Mr. Stewart is being retained?

Mr. MADDEN. No. It is on account of his special knowledge of the cases and because of the fact that he is really the only man who understands all the complications connected with the cases.

Mr. GARD. Is it the policy of the committee to retain him year after year, or—

Mr. MADDEN. It would be hard to say what the policy of the next committee would be, but I would say if I were in charge of this work next year and the facts disclosed the necessity for his employment because of the interests of the Govern-

ment, or because the interests of the Government might be conserved by his employment, I would unquestionably employ him; otherwise I would not.

Mr. GARD. I thoroughly agree with the gentleman. The inquiry I was making was whether there was any special interest, or whether Mr. Stewart had greater knowledge than anybody else with respect to these appeals, which I hope will be disposed of in a short time.

Mr. MADDEN. Unfortunately, they have not been disposed of yet.

Mr. GARD. Are there any other cases that would warrant the gentleman's continuance?

Mr. MADDEN. I am not advised as to that. My answer is that his employment is based on his knowledge of these cases and what I believe to be the necessity for his employment.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. MADDEN. It is not subject to a point of order, Mr. Chairman. This appropriation is made in accordance with law.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For compensation to assistant postmasters at first and second class post offices, \$7,000,000.

Mr. PARRISH. Mr. Chairman, I move to strike out the last word of the paragraph just read, lines 13 and 14, for the purpose of asking the chairman of the committee a question.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. PARRISH. Are the salaries under this appropriation of \$7,000,000 for assistant postmasters at first and second class post offices fixed by law?

Mr. MADDEN. They are fixed by law.

Mr. PARRISH. When were they fixed, or by what law?

Mr. MADDEN. By the act approved June 5, 1920, known as the reclassification act.

Mr. PARRISH. Mr. Chairman, I withdraw my pro forma amendment.

The CHAIRMAN. The gentleman withdraws his pro forma amendment. The Clerk will read.

The Clerk read as follows:

For unusual conditions at post offices, \$250,000.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word as a pro forma amendment.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. BLANTON. Mr. Chairman, yesterday, when the chairman of the committee was making his statement, and about a week ago also, when he was upon the floor, he also made the statement that in order to take care of war conditions with respect to carriers on star routes we passed a law authorizing the Postmaster General to take into consideration unusual conditions arising from the war with respect to such contracts that were entered into prior to June, 1918, and the chairman could not understand why there were cases in my district and in other districts where star-route contractors had been almost ruined financially because of their contracts.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MADDEN. I think I quite understood, and I do not want to be understood as saying anything that I did not say. I understand that there were difficulties.

Mr. BLANTON. Oh, yes; but the gentleman thought that the Postmaster General could have readjusted all those matters under existing law if he had seen fit.

Mr. MADDEN. No. I beg the gentleman's pardon. I want to have him straightened out on that.

Mr. BLANTON. The gentleman means that he will beg my pardon. If I have misquoted him, I beg his pardon.

Mr. MADDEN. I beg the gentleman's pardon; I want to be properly understood. What I said was that the Postmaster General had said, and his assistants also had said—those in charge of the star-route service—that they had trouble with some of the star-route contractors where they were unable to carry on the work, and that in such cases in many instances they had released them from their obligations, since the time had passed when they were able to adjust, and that they had re-advertised for bids, and in many cases they had been able to get lower bids than those where the contracts had been released.

Mr. BLANTON. The gentleman stated it was June, 1918, when, as a matter of fact, it was the contracts entered into prior to June, 1917, that the law applied. I call the gentleman's attention, however, to the fact that most of these unusual war conditions with respect to contracts on star routes had not taken place in June, 1917. In other words, the war had not

been in progress long enough to make gasoline go up as high as it did, to make automobile tires go up as high as they did, or to make various parts of the automobiles which are used on these routes to go up as they did; to make many of those parts go up so enormously as they did during the war, or to make the cost of getting these cars repaired in shops go up as it did, and as well as various other items which enter into the expense of star-route mail carriage. These raises and increases in cost had not occurred in June, 1917. The contracts were made after June, 1917, with respect to the four years that embraced the war and the period that is on at this time and part of which is yet to come in the future. As I stated to the gentleman at that time, I have in my district several contractors under bonds who, besides having carried the mail at a tremendous loss for some months, and having been almost bankrupted and in danger of losing the small amount of property that they possess, in order to prevent further loss have taken the full amount of their bond, in one instance \$3,000 in cash, have gone to the department with it and said, "Here is the amount of my bond. Please release me." Yet the Postmaster General, after having had the full amount of the bond delivered to him in cash, has said, "No, sir; you must go on and deliver that mail according to your contract for the full four years or you are going to be held responsible. We will employ somebody, no matter how much it costs, and hold you responsible." It seems to me he ought not to insist on that. Many of these men are poor, and there are a number of them affected by these conditions. The distinguished gentleman from Illinois [Mr. MADDEN] could render a very great service to a number of poor and deserving men throughout the country if he could get put upon this bill an emergency measure that would give some relief, that would permit the Postmaster General to readjust these contracts not according to June, 1917, but according to the war conditions that later on prevailed.

Mr. MADDEN. If I said June, 1918, it was unintentional and not with a view to misstate the date.

The CHAIRMAN. The time of the gentleman has expired. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

For pay of letter carriers at offices already established, including substitutes for letter carriers absent without pay, City Delivery Service, \$70,000,000.

Mr. ROSE. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. My understanding is that the letter carriers' salaries have already been fixed. Am I correct in that?

Mr. MADDEN. Yes.

Mr. ROSE. So this bill does not attempt to raise the salary of any official of the department?

Mr. MADDEN. It does not.

Mr. ROSE. I notice that the increase in this item for the pay of letter carriers is \$10,000,000 over that of last year. Does that mean to provide for additional carriers besides those already employed?

Mr. MADDEN. The annual rate is in effect as of June, 1920, and the pay before that rate was fixed was \$62,484,400. The increased annual rate for filling 820 vacancies was \$1,089,000 more and the increase in the annual rate for appointing 861 additional carriers is \$1,124,248 more, and the automatic promotions will amount during the year to \$300,000 more. The estimated annual rate in effect June 30, 1921, will be \$65,221,850. Fourteen hundred additional carriers will be necessary during the coming year, and that will cost \$2,030,000 more, and the estimated cost of automatic promotions during the fiscal year 1922 will be \$1,500,000 and the estimated cost for overtime is \$800,000 or a total of \$69,551,850. The item in the bill carries \$70,000,000, which will leave a leeway of almost \$500,000 for any emergency that may arise in a case, for example, like that which we had last year when there was a strike on the American Railway Express and all their business was turned over to the Post Office Department, and we had to take men from the streets everywhere in the United States to transact the business. We believe that the department ought to have sufficient money to meet an emergency of that sort. If they do not need it, of course, they will not use it, but that is how the difference between the \$62,000,000 and the \$70,000,000 is made up.

Mr. ROSE. I do not find any fault whatever with the amount of money carried in this appropriation, but I feel as does the gentleman from Texas [Mr. BLANTON]. I believe the letter carriers of the country do not receive a sufficient sum for the labor they perform. I think they are the hardest worked and poorest paid employees in the service of this Government, and I should like to be in a position to raise the salaries of the men

who carry the mail. They have made insistent demands for increase in their salaries, but it has always been denied them. When I observed the increased amount provided for in this section I presumed that it was in the minds of the committee to pay the letter carriers more money, but I find that I am disappointed in that and that they will receive the same rate that they have always received.

Mr. MADDEN. No; not the same rate they always received.

Mr. ROSE. Under the existing law.

Mr. MADDEN. Yes; under the existing law, which went into effect on the 1st of July, 1920.

Mr. ROSE. The Postal Service is breaking down all over the country. We can not get men to do the work for the salaries we pay, and I am one of those who believe that the salaries of the letter carriers should be made commensurate with the services performed.

Mr. BLACK. Will the gentleman yield?

Mr. ROSE. Yes.

Mr. BLACK. Does the gentleman realize that the average pay of a letter carrier is now about \$1,750 per annum?

Mr. ROSE. I do not know whether that is the average or not.

Mr. BLACK. That is the average.

Mr. ROSE. I am sure that the great majority of the carriers whom I have spoken to do not receive that much; and if they do, they are unable to provide for themselves and their families on account of the increased cost of living.

Mr. MADDEN. If the gentleman will yield to me I will tell him what the facts are.

Mr. ROSE. I yield to the gentleman from Illinois.

Mr. MADDEN. Before the 1st of July, 1918, the compensation of letter carriers was \$800 per annum in the initial grade and went up to \$1,100 automatically in first-class offices and to \$1,000 in second-class offices. It went up to \$1,200 for a certain percentage of the men in first-class offices and up to \$1,100 for a certain percentage of the men in second-class offices.

On the 1st of July, 1918, there became effective a new classification which made the initial salary \$1,000 and the maximum salary \$1,500.

In accordance with joint resolution 151, passed in October, 1919, as I recollect, which was retroactive to the 1st of July, 1919, \$200 were added to the salaries of all men receiving not to exceed \$1,500, \$150 to the salaries, temporarily, of those above \$1,500 and up to a certain other point; and \$125 to salaries of those receiving not less than \$2,200. Then, on June 5, 1920, came the classification act, reported by the Postal Salaries Commission, which made the initial salary \$1,400 and the maximum salary \$1,800, and that is what they are getting now. That is what is being provided for in this bill.

Mr. GARD. Mr. Chairman, I move to strike out the last word. I notice in the hearings, at page 141, of the gentleman's committee a statement by Mr. Cantwell, the secretary of the National Association of Letter Carriers, as I read it, evidences of inequality in the opportunity of promotion from substitutes to regular letter carriers. I know that the gentleman's committee is now purely a committee of appropriation and that this might properly be a matter of legislation, but since this inquiry was made by the secretary of the National Letter Carriers' Association, this being an organization which renders a very excellent service to the people of the United States, I am asking the gentleman if as chairman of this subcommittee he has investigated the table of inequality presented by Mr. Cantwell at the office at Cincinnati, Ohio, with reference to relief from such inequalities of those who have had military service and those who have had no advancement through different grades of substitution to the position of permanent carrier?

Mr. MADDEN. Yes. I am very happy to say to the gentleman that I have and that as a result of my investigation and from the information I was able to obtain I have prepared a bill, H. R. 15447, embracing all of these inequalities. That bill was introduced on the 30th of December, and it is now under consideration by the Committee on the Post Office, with a view to remedying these difficulties.

Mr. GARD. The gentleman has in his bill, then, the idea of correction of these inequalities?

Mr. MADDEN. Yes.

Mr. GARD. I ask, because, unfortunately, I am not familiar with the bill.

Mr. MADDEN. I shall be very glad to send the gentleman a copy of the bill.

Mr. GARD. It takes care of everything?

Mr. MADDEN. Of the period of military service and substitute service, so that these men who have been in the military service and who have been out for some time may have the advantage of the credit of that military service in their advancement from the position of substitute to that of letter car-

rier. It covers everything along the line to which the gentleman calls attention.

Mr. GARD. The gentleman's bill is, I suppose, to correct these inequalities which are made manifest in the statement of Mr. Cantwell?

Mr. MADDEN. It will correct them, if it is enacted into law, and, as I understand it, the Committee on the Post Office and Post Roads is having hearings on the bill now or on a similar bill.

Mr. GARD. I will ask the gentleman from Kentucky [Mr. Rouse] if his committee is having hearings on the bill or a similar bill?

Mr. ROUSE. Mr. Chairman, I understand the committee has had some hearings, but I have not been present. If the gentleman will yield, I desire to ask the gentleman from Illinois, the chairman of the subcommittee, a question.

Mr. GARD. I yield to the gentleman.

Mr. ROUSE. Did the gentleman consider the objection the clerks have to the compensatory time provision of the reclassification act?

Mr. MADDEN. That is all covered in this bill also. If the gentleman will permit me to state informally, I would say that of course our committee, knowing we had no legislative powers, nevertheless accumulated the information that showed legislation to be necessary, and, anxious as we were to comply with the rules of the House and to report no legislation on this bill, we prepared the bill, or I did, and introduced it for the information of the Post Office Committee, so that they could report the legislation.

Mr. BLACK. Mr. Chairman, I move to strike out the last word, for the purpose of saying, in reference to this matter of giving the letter carrier credit for his substitute service, I would not wish it to be understood that the department has administered the law in any different way from that which Congress intended or that any injustice has been done these men. The truth of the matter is this: When we passed the act of June 5, 1920, we provided that thereafter, whenever a substitute should be appointed to the position of regular carrier, there should be counted up the time which he had served as a substitute, and that he should be given credit for a year if he had served 306 days at eight hours per day. Therefore, if he had served a year all told as a substitute he would enter class 2 instead of class 1. That is now being done. I have heard of no complaint that the Post Office Department is not administering the law properly. What the employees want is to amend the reclassification bill and give it a retroactive effect and go back and take up all letter carriers who had been appointed before the passage of the law and figure up their substitute time and advance them accordingly. The committee had no such intention when it originally framed the bill, and as one member of the committee I do not mind stating that I am opposed to it now and expect to vote against it in the committee, if it is brought up. Every time we pass a bill in Congress to have effect from and after the time of its passage, we can not stop to go away back and figure how it would have operated if we had passed it two years ago or four years ago or five years ago, and try and make it fit to that kind of a situation. As I understand it, that is the kind of grievance that the employees are complaining about. They are not complaining that the Post Office Department is failing to give any substitute who is now appointed full credit for the time he has served as a substitute, but we ought to go back and take a history of all these substitutes who have been appointed before the law went into effect and figure up the time they served and advance them accordingly. I do not think that is logical. I do not think it is the proper thing to do. I think we passed a good and liberal reclassification bill for the employees and I supported it and voted for it, but I do not favor amending it to try and adjust every imaginary grievance.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

For pay of letter carriers, substitute and auxiliary letter carriers at offices where City Delivery Service is established during the year, \$200,000.

Mr. FESS. Mr. Chairman, I move to strike out the last word. Some years ago there was inaugurated a policy of attempting the carrier service in towns below a certain size.

Mr. MADDEN. Yes.

Mr. FESS. I think it was a sort of experimental service. Is that service being carried on now?

Mr. MADDEN. Yes; that is being carried on now, and this is the way it is being operated. When it was originally started there were, I think, about \$200,000 appropriated to experiment in villages.

Mr. FESS. Yes.

Mr. MADDEN. They did start some service in villages of as low as 1,000 population. It was afterwards thought that it was unwise, and a limit of 1,500 population was fixed by the regulations, and requirements were made to have house numbers and sidewalks and all that, so that the carriers could make delivery readily.

And to-day the service has been extended to a large number of villages, and this appropriation has been increased by about \$300,000, so as to furnish the service to further villages, and the reports from the department are to the effect that it is one of the most popular services the Government can give. We have in most villages only one carrier, in some villages they have two, and the compensation of those men is something like \$1,200 per annum. It does not go up to the standard of carriers in larger places.

Mr. FESS. It must have 1,500 population.

Mr. MADDEN. That is the low limit, and the receipts must be \$5,000.

Mr. FESS. I would say to my friend in my district there are two such, and there are other towns making application, and I was not sure as to what the law was.

Mr. MADDEN. There is no law on the subject; it is simply a regulation which is to the effect that there must be \$5,000 receipts or 1,500 population.

Mr. FESS. I thank my friend; that is the information that I wanted. They state that such and such a town has the service, and why can not they have it?

Mr. MADDEN. It was instituted in some towns of a similar population who were afraid they were going to be passed over, hence the regulation regarding it.

Mr. WALSH. Mr. Chairman, I rise in opposition. Did I understand the gentleman from Illinois to say this village delivery has now gone beyond the experimental stage?

Mr. MADDEN. I do.

Mr. WALSH. And that they are expending money from appropriations without any law, simply upon a regulation?

Mr. MADDEN. Oh, no; the regulation only goes as to the number of people who shall be in a village and the amount of receipts; that is all.

Mr. WALSH. Where does the law authorize them to make any such regulations or to expend any money on such a delivery service?

Mr. MADDEN. The law is carried in this bill, but we have not reached that point.

Mr. WALSH. I beg the gentleman's pardon. I understood the gentleman to say this item under consideration carried an increase to take care of it.

Mr. MADDEN. No; not at all. This is not the item at all. The question was asked me at this point, but we have not reached the other.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word. I desire to inquire of the chairman: As I understand, this item covers the expense of offices established during the last year?

Mr. MADDEN. Which item does the gentleman refer to?

Mr. DOWELL. The item on the bottom of page 4 that has just been read.

Mr. MADDEN. No; that item is auxiliary service, and new territory is being added to already established free-delivery territory. For example, there may be on the outside line of a city quite a settlement that does not come under the free-delivery range of the city post office but might be taken in and made part of the free-delivery territory from the post office.

Mr. DOWELL. May I inquire is it the policy of the department to establish a village delivery of a certain population?

Mr. MADDEN. The policy is to establish up to the extent of the money they have at their disposal in all villages of 1,500 population and receipts of \$5,000.

Mr. DOWELL. Is it automatic that when a village arrives at a population of 1,500 free delivery is established?

Mr. MADDEN. No; I would not say automatic. They will have to apply for it, because they would not have money enough in this fund to do that automatically.

Mr. DOWELL. A certain value of postal receipts are necessary?

Mr. MADDEN. Five thousand dollars.

Mr. DOWELL. Under this provision?

Mr. MADDEN. Under the regulations of the department.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

For vehicle allowance, the hiring of drivers, the rental of vehicles, and the purchase and exchange and maintenance, including stable and garage facilities, of wagons or automobiles for, and the operation of, screen-wagon and city delivery and collection services, \$15,000,000: *Provided*, That the Postmaster General may, in his disbursement of this

appropriation, apply a part thereof to the leasing of quarters for the housing of Government-owned automobiles at a reasonable annual rental for a term not exceeding 10 years.

Mr. GARD. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I note that this appropriation is for \$15,000,000 for vehicle allowance, the hiring of drivers under the rental of vehicles, and so forth. I note that the appropriation for 1920 was \$5,750,000 and \$10,250,000 for the fiscal year 1921. It is \$15,000,000 now for the next fiscal year, 1922. Is this advance due to an increased number of automobiles and motor-propelled vehicles for the purpose of collecting and distributing mail, or what is the reason for the great increase of nearly \$10,000,000 between 1920 and 1922?

Mr. MADDEN. Is the gentleman asking me?

Mr. GARD. Yes.

Mr. MADDEN. Part of the increase—the increase itself is not quite as large as it appears. There is \$4,000,000 deficiency in this item now, and that deficiency has been requested from the Appropriations Committee; the department says it is due to the increased cost of labor and increased volume of mail.

Mr. GARD. There is nothing in this here about a deficiency.

Mr. DOWELL. Should not the deficiency come on the regular deficiency bill?

Mr. MADDEN. I am simply explaining why this does not provide for a deficiency. I want simply to say there is not so much difference in last year's appropriation as seems on its face, because the appropriation for the current fiscal year is \$4,000,000 less than the cost of the service. That is disclosed in the request of the department for a \$4,000,000 deficiency. Now, this service has been established in about 200 cities. It takes over the screened-wagon service; it takes over what used to be the horse-drawn vehicle collection service; it takes over what used to be horse-drawn vehicle service of all kinds in all cities in which it is established. There are now more than 3,800 automobiles in this service. That, of course, involves the employment of a large number of men. All those men are mechanics. It involves the establishment of a great many garages. It also involves the establishment of machine shops in connection with those garages.

It involves the payment of rent for garages. The department has dispensed with all the screen-wagon contract service heretofore existing, and this service has been substituted, and it is the policy of the department, I understand, to dispense with whatever yet remains of the screen-wagon contract service and take it over under the department jurisdiction.

Mr. GARD. Is the deficiency which the gentleman refers to included in his report, that deficiency of \$20,725,000, or is it still another deficiency of \$4,000,000?

Mr. MADDEN. I would not undertake to say offhand now just whether it is or not.

Mr. GARD. I think it is very important for the country to know whether a part of this great increase in two years of practically \$10,000,000 is a deficiency carried in this item.

Mr. MADDEN. The deficiency is not in this item.

Mr. GARD. Not in this item?

Mr. MADDEN. Certainly not. But with the last year's appropriation of \$5,750,000, and \$4,000,000 deficiency added to it which would come in the next deficiency bill, it would be \$9,750,000, whereas this provides for \$10,450,000. The gentleman from Ohio would lead the House to believe, without any intention to do it, that we are increasing this appropriation by \$4,500,000, whereas we are only increasing the appropriation by \$500,000.

Mr. GARD. That is carrying the gentleman's idea of the deficiency.

Mr. MADDEN. It is not my idea. It is the fact.

Mr. HOLLAND. The gentleman will find that on page 36, referred to by Mr. Koons.

Mr. MADDEN. That is simply carrying the state of facts that exists. The department found itself short \$4,000,000 in this service in the expenditures of the last year's appropriation, which was \$5,750,000. They go to the Appropriations Committee and ask for that. An appropriation will probably be carried in the next deficiency bill, and that will make the appropriation for 1921, \$9,750,000, and this bill is carrying \$10,450,000 for 1922.

Mr. GARD. In view of the fact that there are now, according to the statement of the First Assistant Postmaster General, 3,800 vehicles, an inquiry of my colleague, the gentleman from Missouri [Mr. Igoe] seems opportune, as to whether there is any provision carried in this appropriation bill for the payment for injuries inflicted by drivers of these Government-owned automobiles or these automobiles in the Postal Service?

Mr. MADDEN. Certainly not.

Mr. GARD. Because it certainly must be apparent to the gentlemen on this subcommittee that this great increase in

motor-propelled vehicles, and the number of accidents that will result therefrom everywhere, there should be some recognition of the rights of those who are injured without fault of their own, by negligence of those who are employed to drive these motor-propelled vehicles in the mail service of the United States.

Mr. MADDEN. I hope the gentleman from Ohio does not think we ought to give to the Postmaster General carte blanche to use a large appropriation to settle personal-injury cases.

Mr. GARD. No; I do not. I was merely making inquiry whether you had made any arrangement to that end or not.

Mr. MADDEN. We certainly have not carried anything in this bill, and we ought not to do so. I apprehend the gentleman would be the first man to object to it, on the ground that we have no authority to legislate for or to anticipate injuries. If injuries happen, there is a remedy which can be applied in their adjudication. That remedy ought not to be an appropriation in this bill, giving the power to the Postmaster General to adjust such claims. The law provides the method by which these claims can be adjusted.

Mr. WALSH. Do I understand the gentleman from Illinois to say that for any injuries resulting from the operation of post-office automobiles there is a remedy existing now?

Mr. MADDEN. Yes; the same remedy that exists for all injuries of a like nature that could happen to persons through negligence of Government employees. They must come to Congress. [Laughter.]

Mr. GARD. You mean by the presentation of a private claim?

Mr. MADDEN. Yes. The gentleman from Ohio, I am sure, would not undertake to ask the Congress to pass a blanket appropriation bill to cover anticipated injury cases.

Mr. BLANTON. The gentleman intimates that there is no legislation in the bill. There is important legislation on the next page, and on succeeding pages, is there not?

Mr. MADDEN. I hope there is not any legislation.

Mr. BLANTON. The gentleman knows that there is, does he not?

Mr. MADDEN. Well, I will not admit anything until I get to it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PAIGE. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. PAIGE. Is this increase due largely to the fact that automatic tubes have been discontinued in the cities and automobiles have supplanted them at increased cost?

Mr. MADDEN. I am afraid I would have to answer no to that, for this reason: The pneumatic tubes only existed in Boston, Chicago, St. Louis, and New York, and I think there were only about 36 miles of tubes, if I recall. We spent a total of \$976,000 a year for the service of the tubes. Now we have instituted automobile service in 200 cities. When the Postmaster General made his report there were 2,615 automobiles in service. When the First Assistant Postmaster General gave his testimony there were about 3,200 or 3,300. Since that time they have been increased until there are nearly 4,000 now. It is still going on.

Mr. PAIGE. Will that not add to the appropriation?

Mr. MADDEN. It is all provided for in this bill.

Mr. ROUSE. Will the gentleman state how many of these machines were turned over by the War Department to the Post Office Department?

Mr. MADDEN. I can not say how many, but I think about 1,400.

Mr. ROUSE. Is there anything in the hearings to indicate how many will be turned over?

Mr. MADDEN. Yes; the information is that 799 more will be turned over.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. DOWELL. I want to inquire if the Post Office Department has made an effort to secure from the War Department the surplus automobiles and trucks that were purchased during the war and which are now of no use to the War Department?

Mr. MADDEN. A great many trucks have been turned over by the War Department to the Post Office Department. I have just given the number, and to the extent that the Postmaster General can secure that facility from the War Department he is doing it as rapidly as possible.

Mr. DOWELL. Now, does the gentleman know what per cent has been purchased from the War Department or assigned?

Mr. MADDEN. I can not answer that question.

Mr. DOWELL. Was not that investigation made by your committee?

Mr. MADDEN. No; we did not ascertain the percentage.

Mr. DOWELL. Is there any difference in the price in preparing these automobiles for service in the Postal Department and the purchase price of new vehicles from the factory?

Mr. MADDEN. Oh, yes; there would be, of course.

Mr. DOWELL. How much?

Mr. MADDEN. I think it costs an average of about \$800 to fit out each machine received from the War Department.

Mr. DOWELL. Now, is there any reason why the Postal Department can not secure a sufficient number of vehicles from the War Department, of the surplus, to entirely fit out the Post Office Department for the delivery of mail?

Mr. MADDEN. We have a table here showing that the number of motor trucks that have been made available to the Post Office Department through receiving them from the War Department is 1,431 in use now—

Mr. DOWELL. And how many altogether are there in use?

Mr. MADDEN. And 799 more will be delivered.

Mr. DOWELL. How many altogether are there in use?

Mr. MADDEN. About 3,800.

Mr. DOWELL. Is there any reason why these automobiles that are now surplus in the War Department can not be used for this purpose?

Mr. MADDEN. Not a bit of a reason in the world.

Mr. DOWELL. Then why is the Post Office Department purchasing so many new machines from the factory when the gentleman says that it can be fitted up more cheaply in this way than by the purchase of new machines?

Mr. MADDEN. I am not, I regret to say, able to give the viewpoint of the department.

Mr. DOWELL. In making this appropriation should not the committee have determined whether or not the department could have done with less money? And if by taking these from the War Department it could have saved many millions of dollars, should not this committee have investigated this question and be able to say to the House what could be saved by this process?

Mr. MADDEN. This appropriation is not being made to buy machines. This appropriation is being made to operate machines.

Mr. DOWELL. As I understood the gentleman a moment ago, he stated that the department was casting off the horse vehicles and taking on the motor trucks.

Mr. MADDEN. I said the department was casting off horse-vehicle contract service and all-screen wagon contract service.

Mr. DOWELL. That means, if it means anything, that the department is taking on new machines.

Mr. MADDEN. Yes; that is what it means.

Mr. DOWELL. Then how does the department get these machines without an appropriation through this committee? That is why I am inquiring. The gentleman has just stated that this makes an appropriation for the purchase of new machines.

Mr. MADDEN. Here is the basis of the estimate for motor-vehicle service: "Estimated cost of expenditure by postmasters under allotments granted quarterly. This covers the purchases under local orders and garage equipment and embraces rent and heat, fuel, power, telephone service, tools, garage equipment, gasoline supplies, cleaning, and preservation."

Mr. DOWELL. I know, but what I am asking of the gentleman is—

Mr. MADDEN. I am answering the gentleman. The gentleman does not have to catechize me in such a way as prevents me from answering the question.

Mr. DOWELL. Mr. Chairman, I have asked a straight question, and I am trying to get some information, and I do not want the gentleman to read in my time another bill which has no application to this part. He can do that in his own time. What I want to know is what this means, on page 5, "for allowances."

Mr. MADDEN. The gentleman is asking the question in his own time. I will answer in my time.

Mr. DOWELL. If the gentleman does not desire to answer the question—

Mr. MADDEN. I think the gentleman is unfair. I am anxious to answer all questions.

Mr. DOWELL. If I am, I would like to have the gentleman explain it.

Mr. MADDEN. The gentleman refuses to allow me to do it in his time, as he says.

Mr. DOWELL. I asked the gentleman what it means here with reference to the item for vehicle allowance, the item recommended.

Mr. MADDEN. The gentleman refuses to let me answer. I am going to answer in my own way if I answer it.

Mr. DOWELL. I have no objection to the gentleman answering in his own way, but I want this definite question answered. I want to say further that if this means, as I apprehend it does

mean, the purchase of automobiles or vehicles of this type for the purpose of carrying mail, and if the committee has not made a careful investigation of this subject with reference to the price that is paid for the reconstruction of the cars that are taken from the War Department and also the prices that are being paid to the manufacturer, then it seems that the committee should make a further investigation of this matter and give to this committee full information as to what is necessary for the purchase of these motors.

Mr. BLANTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. For the benefit of the rest of us, we would like to have the gentleman repeat his question. We did not get it all. [Laughter.]

The CHAIRMAN. The point of order is overruled. [Laughter.]

Mr. DOWELL. Mr. Chairman, the gentleman from Illinois has not answered the question.

Mr. BLANTON. Mr. Chairman, I call the Chair's attention to the fact that the gentleman from Illinois [Mr. MADDEN] ought to answer the gentleman from Iowa aye or no. [Laughter.]

Mr. MADDEN. Is this a hypothetical question that the gentleman is asking?

Mr. DOWELL. I am trying to get information in response to my question. I think my question was a fair one, and I think \$15,000,000 ought not to be voted away by the committee, without a full explanation. [Laughter.]

Mr. MADDEN. Now, is the gentleman through?

Mr. DOWELL. My time having been taken up by interruptions, I see the Chairman is about to state that my time has expired.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. Mr. Chairman, I will try to answer the gentleman's hypothetical question. I thought he was going to present a hypothetical question as they do where a man pleads insanity in a murder trial, and that he was like one of these expert doctors and was trying to muddle the thing up as much as he could, so that the witness would not understand what he was talking about.

Mr. DOWELL. I fear the gentleman understood me all too clearly.

Mr. GARD. Mr. Chairman, a point of order lies to the language used by the gentleman from Illinois to his colleague, in suggesting that he is insane. The language is unparliamentary. [Laughter.]

Mr. MADDEN. Now, if the gentleman will allow me—

Mr. BLANTON. I move that the House take a recess long enough to permit the gentleman from Iowa to compel the gentleman from Illinois to answer his question.

The CHAIRMAN. The gentleman's motion is clearly out of order. [Laughter.]

Mr. MADDEN. If the gentleman will just permit me for a few minutes, I will try to answer. I read from page 36 of the hearing:

Estimated cost of expenditures by postmasters under allotments granted quarterly: This covers purchases under local orders and embraces rent, light, fuel, water, telephone service, power, tools, garage equipment, gasoline, supplies for cleaning and preservation, repairs and accessories, material, supplies, and overhead charges, salaries (chauffeurs, garage men, mechanics, and office force), \$12,043,835.33.

So far that does not include the purchase of any machines.

Increase in parcel post: Additional 5 per cent to cover anticipated increase in parcel post and other mails to be handled during the fiscal year 1922, \$602,191.77.

That is expected to cost \$602,191.77.

Expenditures under motor-vehicle orders or purchases made through the purchasing agent's office: This covers expenditures involving the purchase of tires, tubes, tire patches, tire rims and parts, rubber boots, soap, rags, sponges, skid chains, graphite, grease, oil, fire extinguishers, cotton waste, spark plugs, \$750,000.

Then freight charges on Government bills of lading, \$170,096.76.

Mr. DOWELL. Will the gentleman yield now for a question? Mr. MADDEN. I shall be glad to yield, but let me answer the question. The gentleman has asked a long question. Let me answer it, please.

Freight charges on Government bills of lading in consequence of the shipment of the supplies enumerated, \$170,096.76. Then there is the motor-vehicle maintenance plant at Elkridge, Md.; output estimated at nine truck bodies per week. That is where we build the bodies for the equipment received from the War Department. It is estimated that it will cost \$288,283 for that. Then traveling expenses of special agents, \$4,000; and contract vehicle service, \$4,500,000.

All this aggregates \$18,358,411.92.

Now, there is nothing in here for the purchase of automobiles, and we believed that \$15,000,000 would do the work, and that is what we report as the appropriation here.

Then there is another thing that helps to make up the cost. The act of June 5, 1920, classifying the postmasters and employees of the Postal Service and readjusting their salaries, provided that mechanics in charge of day tours shall be paid \$1,900, \$2,000, and \$2,100 per annum. Mechanics in charge of afternoon and night tours had their salaries fixed and increased, and so on all the way down the line, and all these things are taken into consideration in making this appropriation. Now have I answered the gentleman's question?

Mr. CONNALLY. Mr. Chairman, I make the point of order that the gentleman from Iowa lives west of the Mississippi River and therefore has no right to ask the gentleman from Illinois any question. [Laughter.]

The CHAIRMAN. The Chair overrules the point of order. [Laughter.]

Mr. DOWELL. I want to read the paragraph here and to ask the gentleman what it means.

Mr. MADDEN. All right.

Mr. DOWELL. The gentleman has just stated that it is not for the purchase of automobiles or vehicles of that character. Now, what does this language mean—

And the purchase and exchange and maintenance?

What construction can the gentleman place on that language?

Mr. MADDEN. Of course, the gentleman must understand that when equipment is worn out there must be some means by which it can be replaced, and this provides for the exchange and purchase of equipment to meet the necessities of the service.

Mr. DOWELL. But the bill does not state that this is to supply or replace worn-out service, but it says it is for the purchase of automobiles, and any part of this sum under this language can be used for the purchase of automobiles.

Mr. MADDEN. If it can, I think it is a very salutary purpose, I am very happy to say.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. I think it is a service that is well worth while establishing. I think it is performing a very satisfactory function, and that the investment of the money that is appropriated in this bill is well spent when it is spent for this purpose.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

Mr. BLANTON. Mr. Chairman, I offer the following substitute amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 5, line 9, after the word "rental," strike out the words "for a term not exceeding 10 years."

Mr. MADDEN. Mr. Chairman, I make the point of order against that.

Mr. BLANTON. This is merely to strike out certain language.

Mr. MADDEN. That would be a change of law.

Mr. BLANTON. I want to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. BLANTON. The law does not provide that the Postmaster General shall enter into contracts to expend part of \$15,000,000 for garages under 10-year leases. It merely authorizes him to lease buildings for carrying on his business.

Mr. MADDEN. Mr. Chairman, I withdraw the point of order.

Mr. GARD. Mr. Chairman, will the gentleman from Texas yield?

Mr. BLANTON. In just a moment. Mr. Chairman, I understand the gentleman from Illinois withdraws the point of order, and I ask for recognition upon the amendment.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Chairman, this provides that of the \$15,000,000 the Postmaster General can expend any part he wants to for making 10-year leases of garages to hold these cars. Of course, he should lease garages, but why should he lease them for 10-year periods? I believe every colleague of mine in this House will agree with me that right at this particular time rents are higher in the District of Columbia than they have been at any time during the war. I have lately leased a residence for the next year, and for a roof to cover the heads of my family and automobile have been forced to pay \$131 a month, the house being unfurnished, I having to furnish it myself, to furnish my own gaslight and electric light and telephone and heat and everything else. Why should we permit by this clause in this bill the Postmaster General, when rents are higher than they have ever been known before, to lease garages for 10-year periods? I say that it is not good business; it is not good practical economy on the part of this House. If you strike out these words you still permit him to lease garages by the year.

I want gentlemen to look at the list of buildings leased by this Government in Washington, which I inserted in the Record two or three weeks ago, and they will see that there are some departments of the Government here in Washington that are paying as high as \$1,000 a year for little old garages located in some back alley. It is outrageous; it is simply ridiculous; and it ought to be stopped.

Just a word now in response to the gentleman from Iowa [Mr. DOWELL]. I come from the Southwest and he comes from west of the Mississippi, and I think he is entitled to an answer to his question. I think the distinguished gentleman from Illinois [Mr. MADDEN] ought to show a man who comes from that section of the country sufficient consideration to answer his question. He wanted to know where the Post Office Department got its cars. I will tell him where it does not get them. It does not get them from that big bunch of passenger-carrying cars that the War Department has had down there at Kelley Field, near San Antonio, Tex., for two long years, without being moved, out in the weather, with practically nothing over them, all the time the people were ready and willing to buy them at reasonable cost. The War Department has held them there, and at many other places, for two years. I want to tell you something right now. One of two things is true. Either the War Department has had some kind of secret understanding and contract with automobile manufacturers of this country that they would not put all these cars on the market; that they would not flood the market with them when the war was over, or else they are of such mental caliber that they should be tried by this lunacy commission which was mentioned here a few moments ago in the running debate between the gentleman from Iowa [Mr. DOWELL] and the gentleman from Illinois [Mr. MADDEN]. One of those things must be true. They are either foolish because of the lack of sense or they have a contract with the automobile manufacturers that will not let them sell those cars, for no new cars have been sold to the public, only cars condemned by the War Department. I hope the gentleman from Illinois [Mr. MADDEN], who is not only a member of this appropriating committee but a member of the steering committee of this House, will take action soon to make the War Department jar loose from that proposition and put those cars on the market and let the people salvage something out of them. Thousands of them, scattered all over the world, have been wasted, junked, and ruined by the War Department. And I charge that it was done to protect the big automobile manufacturers of the country. On a number of occasions during the past two years I have called attention to this, but yet no action has been taken.

Mr. GARD. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas. The amendment, as I understand it, strikes out the words "for a term not exceeding 10 years." It seems to me the amendment should not be adopted for this reason. The gentleman complains about giving authority to the Postmaster General to rent a garage for a term of years, whereas if he strikes this out it must be apparent even to the gentleman from Texas that he confers a much wider discretion upon the Postmaster General, because he then would permit him to lease quarters for the housing of Government-owned automobiles at a reasonable annual rental for a term not merely not exceeding 10 years but for a term of 20 or 30 or 40 years.

Mr. BLANTON. I should think that he would have more sense.

Mr. GARD. I am very glad to have the gentleman's idea of the capacity of the Postmaster General, but what I am trying to get to the minds of the committee and of the gentleman from Texas is that the amendment defeats its own purpose. Therefore I have risen to speak against it.

Mr. MADDEN. Mr. Chairman, I rise in opposition to the gentleman's amendment. I hope it will not prevail. It must be apparent that if the department has not the power to rent for at least a period of 10 years it will have difficulty in getting reasonable rentals, and experience shows that it can get a better rent basis on a 10-year lease than on a 5-year lease, and certainly much better than on a 1-year lease. I hope the amendment will not prevail.

Mr. DUNBAR. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. DUNBAR. When the Post Office Department rents the building for 5 or 10 or 20 years is it not a fact that the Government can at any time nullify the contract?

Mr. MADDEN. Yes; there is a cancellation clause in every lease.

Mr. DUNBAR. Therefore, there would be no advantage in striking out the clause respecting a 10-year period.

Mr. MADDEN. None at all.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. FESS. Mr. Chairman, I move to strike out the last word. I desire the attention of the gentleman from Illinois [Mr. MADDEN]. Under the construction of the word "purchase," would not the Post Office Department be permitted to purchase these automobiles from the War Department if the War Department has them for sale?

Mr. MADDEN. Yes; it would; and they are doing that.

Mr. FESS. Does the gentleman know anything about the statement made by the gentleman from Texas that there are so many automobiles lying out?

Mr. MADDEN. No; I regret to say that I do not; but the report shows that there are some 5,600 and odd automobiles altogether in the War Department to be delivered. That so far the Post Office Department has received 1,431, and that there are yet to be delivered to the Post Office Department under its allotment 799.

Mr. FESS. The gentleman would not think it wise, then, to eliminate under the law the purchases from the War Department?

Mr. MADDEN. No; I think it would not. I think it would be very unwise.

Mr. FESS. A great many of us have been impressed by these general statements about the number of automobiles purchased and sold by the War Department that seem to be going to waste.

Mr. MADDEN. In the meantime—

Mr. BLANTON. Will the gentleman permit me right there?

Mr. MADDEN. In the meantime the Post Office Service must go on, and if we are going to limit the thing to a condition where they can not transact the postal service if they do not do the other it will be embarrassing.

Mr. BLANTON. Will the gentleman yield?

Mr. FESS. I yield to my friend from Texas.

Mr. BLANTON. If the gentleman from Ohio would go to Kelley Field, near San Antonio, and see the number of automobiles out there in the weather and mud and have been so since the armistice, he would be astounded.

Mr. FESS. I am ready to confess that there have come to me very numerous statements not only in regard to the Kelley Field but other places, and it appears to be absolutely incredible. I do not see why the War Department permits such waste.

Mr. PARRISH. Will the gentleman yield?

Mr. FESS. I will.

Mr. PARRISH. I will state in line with the suggestions that have just been made I had occasion in October of this last year to go through Fort Sill, in Oklahoma, and I saw dozens and dozens of big, fine trucks simply rusting out in the weather there, with no pretense to use them and no pretense, with the exception probably of an occasional canvass, to cover them, but they were there in the weather simply rotting out.

Mr. FESS. What is the gentleman's explanation that such is permitted by the War Department?

Mr. PARRISH. I think it is just negligence and failure to take care of public business by the department responsible for it.

Mr. TINCHER. Will the gentleman yield?

Mr. FESS. I yield to the gentleman from Kansas.

Mr. TINCHER. Does the gentleman know, according to the official investigation report, which is an official document, that we took far more automobiles back on the transports that brought the boys home from France after the signing of the armistice and junked them than there are now wasting in the United States in these cantonments?

Mr. FESS. I did not know that.

Mr. TINCHER. If the gentleman would just read the Johnson report, which is authentic, he would be startled to know what few automobiles there are wasting throughout these different cantonments.

Mr. FESS. Can the gentleman from Kansas give any explanation of why in the first place the War Department permits this; and if they permit it, why the Congress does not take some action to correct it?

Mr. TINCHER. Congress has taken action. Congress passed a resolution ordering the sale. I spent three months last summer explaining to the people that there is no explanation for this unwarranted maladministration of public affairs.

Mr. DOWELL. Will the gentleman yield for a question?

Mr. FESS. I will yield to my friend from Iowa.

Mr. DOWELL. If the gentleman has read the report that the investigating committee made, and if it be true, as stated by

the gentleman from Kansas, is it not up to the chairman of the committee to investigate this question and find out what is in the department and see to it that the War Department turns over to this department these vehicles?

Mr. FESS. I am of the opinion it is the business of the Congress, if the War Department does not do it, rather than any particular committee or chairman of a committee, to take action for summary proceedings if we know how to do it.

Mr. GARD. Will the gentleman yield?

Mr. FESS. I will.

Mr. GARD. Does the gentleman know that the subcommittee, of which the gentleman from Nebraska [Mr. REAVIS] was chairman, investigated the matter of automobiles in the western posts and described them as being trucks which had been disabled and found they were disabled and useless trucks which were now out in the condition described by these gentlemen here?

Mr. FESS. I understand that it was the frequent practice when an automobile had been used once that it was found in a condition of disuse under the term "disabled."

Several gentlemen rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. FESS. I yield the floor.

Mr. DONOVAN. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I was a minority member of the committee which investigated the automobile proposition. We started out, and it was reported to me that the condition which you gentlemen now describe prevailed throughout the country, and that the condition was disgraceful. I frankly said to my colleagues on the committee that if the evidence bore out that statement I, of course, would subscribe with them to immediate action of a drastic character. I was informed that at Camp Holabird, in Baltimore, there was a great field of machines that should be put on the market for sale. It was also stated that Dodge machines could be bought for \$100 or \$200. We went to Holabird and there we found, as the report will disclose, that the War Department had taken all machines and classified them. There was, to be sure, what I termed an isolation ward over there of all these machines which were absolutely useless. Critical reference has constantly been made to it, but the explanation as to their being declared useless has frequently been omitted. Holabird was the clearing house for the country, and those machines were brought there from all parts of the country. The parts of the machines which could be salvaged, such as batteries, magnetos, and so forth, were taken off, carefully stored or attached to other machines. The rest of them were gone over in this particular encampment and stored, some under cover and some in the open. The other machines, such as the trucks which are spoken of, were in some instances under cover; in all instances where they were not they were jacked up from the ground, tires taken off, the mechanical parts, such as differentials, were slushed in grease and were well taken care of, and inspection by officers of the Motor Corps was regularly made. It was testified that a truck in its operation is frequently 12 to 20 hours out in all sorts of weather.

The bodies of these trucks were removed from the chassis. The differentials and sensitive mechanical parts were encased. The War Department had classified all passenger cars, motor cycles, and trucks as standard and nonstandard. I recall the Cadillac, the Dodge, and many others were so classified. The War Department, as I further recall, by certain legislation was to allocate or distribute these standard cars and trucks to the several departments, among which were the Post Office and Agricultural Departments. Owing to a conflict at that time as to the interpretation of the law, the judge advocate in the War Department rendered one opinion and the solicitor of the Agricultural Department another, which caused delay, until the Attorney General rendered his opinion, when there was a distribution of these trucks and cars and the remaining nonstandard usable trucks and cars were offered at public auction.

Now, so far as the selling of passenger cars was concerned, I myself was interested on behalf of inquiring constituents to know if a good touring car could be bought at a reasonable figure. As to the declared nonstandard cars, as a matter of fact, the Government was asking prohibitive prices for passenger cars that you or I or anyone else could go into the market in this country and do much better in the buying of them than we could in buying any of these cars. They had for the Hudson car, as I remember, an upstanding price of \$1,200 minimum, and half of the amount had to be paid at the time the bid was accepted, the balance within 48 hours, when the car had to be taken possession of by purchaser. I want to say frankly as to the criticisms that have been laid against the Government and the War Department as to its dereliction in

the performance of its duty in regard to automobiles that it has, in my opinion, been most unjust, unreasonable, and frequently made without any regard to the facts.

Mr. IGOE. The gentleman's committee made a very exhaustive investigation. What legislation did it recommend to Congress?

Mr. DONOVAN. There was a majority and a minority report. We made no suggestion other than hoping and urging that this conflict that existed by reason of the legal interpretation of these several departments would be wiped out and the distribution of what was called the standard trucks and cars would go to the several departments.

In the city of New York the underground pneumatic tube was abandoned, as you recall. That alone was going to take a great many of these cars and trucks for the distribution of the mail, but they were held up because of this conflict. I will be frank with you by saying since we have filed the report, although I have not followed it up closely so as to talk intelligently on this subject, I assumed after that decision was rendered a distribution of these cars and trucks to the Agriculture Department, to the highway departments of the various States, as well as to the Post Office and Public Health Departments, that everything was peaceful and lovely until I just heard this matter referred to and the discussion which the reference has provoked.

Mr. RAMSEYER. Did the gentleman's committee investigate the field down there at San Antonio, Tex., referred to by the gentleman from Texas [Mr. BLANTON]?

Mr. DONOVAN. Our committee did not go there. We did go to Holabird, which is a sort of clearing house for the whole proposition, and we had, of course, from the War Department information pertaining to the other camps.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended one minute.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the time of the gentleman from New York be continued for one minute. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Does not the gentleman from New York know that the only passenger cars which the War Department has sold to the public since the armistice are the cars which the War Department has condemned, and that the unused cars have not been sold? Now, I want to ask the gentleman if he can state to the Congress now that the War Department has not had some kind of secret understanding with the automobile manufacturers that after the war it would not place passenger-carrying cars on the market and flood the market with them?

Mr. DONOVAN. In reply to that question, my best answer is that the evidence disclosed there was no such understanding, as I recall it. There were at Holabird over 500 new Dodge cars, and there was a criticism made in regard to their standing out in the open, but when the investigation came it showed that these cars were confined in tongue-and-groove cases, that the machinery was slushed with the right ingredients, and that they were wrapped about with two thicknesses of tar paper within this tongue-and-groove casing.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TINCHER. Mr. Chairman, I move to strike out the last three words. Mr. Chairman, I do not know just what bearing it has on the item in this bill, but there is not any mystery about the way the automobiles were handled by the War Department. I would not take the time of this committee to mention this except for the question of the gentleman from Missouri [Mr. IGOE] seeking to know whether the investigating committee had recommended any legislation. When the facts disclosed that the Secretary of War insisted on shipping 28,000 automobiles to France after the signing of the armistice and that report contains the letter from Dodge Bros. which disclosed why they were shipped there; when the committee did not ascertain those facts and did not have that information for nearly a year—it not being appointed for nearly a year after the transaction—what legislation could cure it? Now, the matter was taken up—

Mr. DONOVAN. Will the gentleman yield?

Mr. TINCHER. No; not now. The matter was taken up and considered quite fully by over 100,000,000 people in this country last November, and by a majority of something like 8,000,000 they denounced the conduct of the War Department more effectively than even my friend from Texas [Mr. BLANTON] can denounce it now.

I know my friend from Missouri is a great lawyer and a great lawmaker, and he would not approve of this. He has the same access to this report that was filed by the committee that any

of the rest of us have. If there was some law that could do something to remedy that I would be glad to support it. Why, the evidence showed that they even destroyed those automobiles in France; that in digging around in the rubbish—

Mr. DONOVAN. Will the gentleman yield?

The CHAIRMAN. Has the gentleman from Kansas yielded to the gentleman from New York?

Mr. TINCHER. I have not. I do not know just how that pertains to this measure. I am waiting here until we read about half a page further on in this measure, and then I will take it up. The Johnson report was a public report, and it was filed in this House and was published and sent all over this country last fall. There is not any mystery as to why the transports carried automobiles back to France every month after the signing of the armistice up to the following May. There is not any mystery about that, because the Dodge Bros. letter to Newton D. Baker disclosed the reason for it.

Mr. CHINDBLOM. What was the reason?

Mr. TINCHER. They simply called attention to the fact that the department had to take these cars, and that they must not be put on the market. What power they had over Mr. Baker to make him do that no living man can be expected to tell you.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DONOVAN. Mr. Chairman, I ask to be permitted to proceed for three minutes in order to answer the question of the gentleman from Kansas.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed out of order for three minutes. Is there objection?

There was no objection.

Mr. DONOVAN. Mr. Chairman, I will say to the gentleman from Kansas [Mr. TINCHER] that I think I am prepared to answer the inquiry that he has just propounded. The automobiles that were sent to France after the signing of the armistice were sent there for the army of occupation. When Gen. George W. Goethals was Quartermaster General of the Army, when Maj. Gen. Harbord was chief of the S. O. S., he cabled for these cars in great volume. Gen. Goethals cabled back and asked if it was positively necessary that these cars should be shipped, and Gen. Harbord replied yes. Then Gen. Goethals again cabled if it was necessary to send the total amount requisitioned and Gen. Harbord again cabled that they were most urgently needed. These statements are in the hearings had before our committee and were testified to by Maj. Gen. Burr, and the copies of the cablegrams as well. There is nothing in those hearings that refers to any letter such as the gentleman from Kansas [Mr. TINCHER] refers to.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Iowa?

Mr. DONOVAN. In a moment. We, the subcommittee, thought it was unusual and quite out of the ordinary to ship trucks and cars to Europe after the signing of the armistice, but when we learned—this at least is my opinion—when we learned that a man of the type of Gen. Goethals, who first of all is an American, a great general, and a strong man, and whose integrity has never been questioned, with his care, with his scrutiny, and his thoughtfulness for his country, its finances, and its administration, took such great interest and care and forethought as he did in this instance; it seems to me the criticism in the indictment that was laid throughout the country by irresponsible and misinformed people was ill-founded, and I should think that their disregard for the necessities and conveniences that were demanded for our army of occupation over yonder that they would be ashamed of the despicable effort to not only harass the War Department but impeach the integrity of creditable men like Goethals and Harbord. So the committee was satisfied with their answer and explanation. [Applause.]

Mr. DOWELL. Now will the gentleman yield?

Mr. DONOVAN. I yield.

Mr. DOWELL. The question that was asked—and I want to follow that with another question—was what became of the automobiles that the gentleman described a few moments ago as having been so carefully packed and preserved?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DOWELL. I ask unanimous consent that the time of the gentleman from New York may be extended one minute.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. DONOVAN. Those cars were of the standard type that were to be allocated to the several departments, and I assume that, consistent with that decision, they have been distributed to the several departments.

Mr. DOWELL. The gentleman does not know, except upon his assumption?

Mr. DONOVAN. I know it was in evidence that the Dodge cars and the Cadillacs and one or two of the Mack truck type and others were of the kind that were not to be disposed of to the public for sale.

Mr. DOWELL. I want to ask the gentleman this question: When he knew the standing of the gentleman at the head of this department he became finally satisfied with reference to everything going on in the department, and took it for granted that it required no further investigation, so far as he was concerned?

Mr. DONOVAN. That is true, so far as Gen. Goethals is concerned, and I stand absolutely on that statement.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Washington moves to strike out the paragraph.

Mr. SUMMERS of Washington. Mr. Chairman, the gentleman from Kansas [Mr. TINCER] did well to say that the 105,000,000 people of this country had passed upon the management of the War Department, and I believe it is now time for the Congress of the United States to take action in accordance with the action of the people. I am reasonably certain, as I think every other Member of this House is, that there are hundreds, perhaps thousands, of usable automobiles and trucks still held by the War Department, and I am opposed to the purchase of new automobiles for any department of the Government until those are utilized that are owned by the Government of the United States and standing out in the weather falling into decay. I think it is time for this Congress to take action, and the committees reporting out bills, it seems to me, should make it possible for us to take action along this particular line.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. JOHNSON of Mississippi. This is all water that has passed over the wheel—what you are talking about now. As I understand, to-day the General Staff is before the Committee on Appropriations asking for \$9,000,000 of appropriations to feed 20,000 horses for the next year. If that appropriation is allowed there will be a waste of at least \$5,000,000, according to the figures prepared by certain reputable gentlemen. I think Congress ought to take action to stop some of the waste, instead of complaining about what has been wasted heretofore.

Mr. SUMMERS of Washington. I quite agree with the gentleman as to the future, but let us also take care of what we have already on hand and salvage it. There can be no excuse or reason for purchasing new automobiles for any department while hundreds of automobiles of the War Department are going to decay.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask unanimous consent to extend and revise in the RECORD the remarks I made some moments ago.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to revise and extend in the RECORD the remarks he recently made. Is there objection?

There was no objection.

Mr. WHITE of Kansas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Kansas moves to strike out the last word.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. What became of the motion to strike out the paragraph?

The CHAIRMAN. That was defeated, as the Chair understands. The gentleman from Kansas [Mr. WHITE] is recognized for five minutes.

Mr. CHINDBLOM. I asked what became of the motion to strike out the paragraph?

The CHAIRMAN. The Chair misunderstood the gentleman's question. The motion is pending, and the gentleman from Kansas [Mr. WHITE] is recognized in opposition to it.

Mr. WHITE of Kansas. Will the chairman of the committee allow me to ask him a question?

Mr. MADDEN. Certainly.

Mr. WHITE of Kansas. Is the gentleman able to state whether it is the policy of the Post Office Department to secure automobiles and trucks from the War Department rather than to buy new vehicles?

Mr. MADDEN. Under the law directing the Secretary of War to turn over these automobiles to the other departments, the allotment to which the Post Office Department is entitled has already been made, and out of that allotment 1,431 cars have been delivered and there are 799 cars yet to be delivered under the allotment, and they are being delivered as rapidly as possible.

Mr. WHITE of Kansas. But is it the policy of the Post Office Department to secure these automobiles from the War Department?

Mr. MADDEN. In preference to anything else, yes; just as fast as they can get them.

The CHAIRMAN. The question is on the motion of the gentleman from Washington [Mr. SUMMERS] to strike out the paragraph.

The question being taken, the motion was rejected.

The Clerk read as follows:

For car fare and bicycle allowance, \$1,100,000.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word. I desire to inquire of the chairman of the committee with reference to this bicycle allowance. Is that for ordinary bicycles or for motor cycles?

Mr. MADDEN. This is the car fare and bicycle allowance—\$1,100,000.

Mr. DOWELL. Is that an allowance for ordinary bicycles?

Mr. MADDEN. It includes car fare for all the letter carriers, and the increase in the appropriation is due to the increase in car fare. In some places we employ bicycles for the letter carriers.

Mr. DOWELL. Are these ordinary bicycles or are they motor cycles?

Mr. MADDEN. Bicycles and motor cycles.

Mr. DOWELL. Is there not a great supply of motor cycles now in the War Department that are of no use to that department, and has the Committee on Appropriations made any investigation with reference to whether or not any of those have been turned over to the Post Office Department?

Mr. MADDEN. This is an allowance for the use of bicycles owned by the carriers.

Mr. MANN of Illinois. This is not for the purchase of bicycles. This is an allowance made to men who furnish their own bicycles.

Mr. DOWELL. With that understanding, the question is answered.

Mr. MADDEN. These are equivalent to car fares.

Mr. DOWELL. The question is answered.

Mr. GARD. I move to strike out the last word, for the purpose of asking about the appropriation for the pay of special-delivery messengers. I notice that the appropriation this year is \$6,000,000, and for the last year it was \$5,000,000, which would indicate a very substantial increase in the volume of special-delivery messages. I remember also—probably not as accurately as the gentleman from Illinois [Mr. MADDEN] can express it—that there was some change in the law adopted at the suggestion of the commission of which the gentleman is a member, which provided that instead of employing boys men should be employed, substitute mail carriers preferred, whenever opportunity offered for their employment in the delivery of special-delivery messages. Since there is a special stamp sold for use on special-delivery mail, I wish to ask what amount of revenue is received from the special-delivery mail in the United States?

Mr. MADDEN. Each special-delivery messenger is paid 8 cents for the delivery of a letter.

Mr. GARD. I know; and the stamp is 10 cents. The inquiry I make is how much money is realized from the sale of special-delivery stamps?

Mr. MADDEN. It is considerably more than the amount of the appropriation, but I do not know exactly how much more.

Mr. GARD. I thought the gentleman with his usual accuracy for figures could tell me the amount.

Mr. MADDEN. I can not. During the year 1920 the appropriation of \$5,000,000 was expended, and in addition to that there is a deficiency of \$505,454, so that as a matter of fact the total appropriation for the current fiscal year should be

\$5,505,454. The volume of the business has grown to such an extent that all the information in the possession of the committee led to the conclusion that we should appropriate at least \$6,000,000. This branch of the service is more than self-sustaining and is a profitable part of the Postal Service. There is no expense attached to it.

Mr. GARD. The inquiry I sought to make was as to what was the net profit from special-delivery messages. The messenger is paid 8 cents, as I understand.

Mr. MADDEN. Yes.

Mr. GARD. There still remain 2 cents in addition to the regular 2-cent postage. My inquiry was as to the amount of net profit.

Mr. MADDEN. There is no record in the Post Office Department that will indicate that. It is not segregated to show what the profit is.

Mr. GARD. With a special-delivery stamp selling at 10 cents, I did not know, and therefore made the inquiry, as to whether there was any record of the amount of money received from the sale of special-delivery stamps.

Mr. MADDEN. There is not.

Mr. DUNBAR. May I ask the chairman of the committee if it is necessary to put a special-delivery stamp on a special-delivery letter?

Mr. MADDEN. No; you can put on 10 cents' worth of stamps and then write on the letter the words "Special delivery."

Mr. DUNBAR. Then there would be absolutely no way to determine the amount received from the sale of such stamps.

Mr. MADDEN. There is no way, except that we know that the first-class mail is more than self-sustaining and the special-delivery service is more than self-sustaining.

Mr. BLANTON. If the gentleman will permit me, there is a way of finding out exactly.

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Texas?

Mr. GARD. Yes.

Mr. BLANTON. I so understood or I would not have proceeded. There is a very simple way to ascertain, by adding 20 per cent to the full amount that the Post Office Department pays out for these messengers. By obtaining that, you have the exact revenue that the Government derives from the special delivery service. Is not that so?

Mr. MADDEN. I suppose that would tell the story.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL.

For inland transportation by star routes in Alaska, \$230,000: *Provided*, That out of this appropriation the Postmaster General is authorized to provide difficult or emergency mail service in Alaska, including the establishment and equipment of relay stations, in such manner as he may think advisable, without advertising therefor.

Mr. SCHALL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. JEFFERIS. Mr. Chairman, I move to strike out the last two words for the purpose of discussing a succeeding proposition contained in this bill. I wish at this time to draw the attention of the committee to the proposed appropriation of \$1,250,000 for the air mail service. As I understand it, there is a disposition to raise a point of order against the item. Whether or not that point will be well taken I do not undertake to say. The gentleman from Illinois [Mr. MADDEN] yesterday referred to the Post Office Department as the nerve center of the United States. If that be true, then any progressive invention or achievement on the part of the people should be encouraged for the purpose of advancing the mail service and thereby bringing the whole of the United States into closer relation from one end of the country to the other.

What is the fact in regard to the air mail service? It is not propaganda in favor of it that is being put forth, as I understand it, but an earnest desire is being expressed by the business men of the great commercial centers of the United States. If you will refer to the report of the Postmaster General you will find that different cities of the country are raising, or have raised, through subscription, large sums of money for the purpose of furnishing to the postal authorities landing fields and hangars for the operation of these air mail planes. In the city of Omaha the report says that the commercial interests there have cooperated splendidly with the air mail service by furnishing a large air mail field and perhaps the largest civilian hangar in the United States. It further says that the citizens of St. Louis have created at Forest Park a

large public airdrome or hangar for the exclusive use of the mail service. It goes on to refer to citizens of North Platte, Nebr.; Cheyenne; Rock Springs, Wyo; Salt Lake City, Utah; Reno, Nev.; and San Francisco, Calif., who have laid out large public landing fields and have erected thereon for the exclusive use of the air mail service extensive hangars.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. JEFFERIS. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JEFFERIS. I take it because of those activities on the part of business men that there is a well-settled conviction that the air mail service will greatly expedite the advancement of mail from the extremes of this country, from ocean to ocean, with side lines extending to other cities in other parts of the country. I realize that the opposition to this is upon the ground that the air mail service is expensive; that it is in excess of what the Government pays for the transportation of mail by railroad trains. I grant that. It is expensive as compared to that, but I maintain, on the other hand, that to utilize this service for the mail is in the interest of economy. Why?

Everybody here seems to be in favor of developing the air mail service, but they want to centralize it in the War Department or the Navy Department or in some other department. In other words, they would have the Government place all of its eggs under one hen. If it is placed in the War Department, and we spend millions and millions of dollars for experimentation on different fields, what advantage will be gained by the people? What useful purpose will be served outside of the War Department in the preparation for war? Whereas a part of the money that is expected to be spent to carry on this development, if spent in the Post Office Department, will render some service to the commercial interests of the country and at the same time bring about a development in invention, and so forth, and experience gained. The way I look at it, instead of centralizing this in one department—the War or the Navy Department—it would be wise to spend whatever millions we are going to spend in different departments, and thus gain the interest, activity, and ingenuity of all of the departments and all of the men connected therewith. Take this trip just made under the Navy Department the other day of some men into northern Canada, who have been lost. That gives us really no benefit from a commercial standpoint. It does not help anything. It is just an experiment, probably a foolhardy thing, but the carrying of mail to the amount of 64,000 letters during the last year across this continent from San Francisco to New York, bringing about a saving of 24 hours of time, and bringing California from a business standpoint just 24 hours closer to New York, is something of real benefit to the commercial interests of the country, and at the same time that we were getting that benefit from a commercial standpoint we were getting the experience of all of the atmospheric conditions from one end of the country to the other in flying machines.

I hope in the interest of progress in the future, if we are going to spend millions in any department of the Government for aeroplanes, that no one will make points of order against this proposition, but will permit it to be retained in the bill.

Mr. TINCHER. Mr. Chairman, I rise in opposition to the pro forma amendment. In reply to the gentleman who just left the floor, I expect to make the point of order against the appropriation that he mentioned. The proposition of carrying mail by aeroplane has been tried, and if this Government has the right to pronounce an experiment a failure in any case, we not only have that right in this matter but we have that duty to perform. The proposition of carrying mail by aeroplane is a failure from the standpoint of efficiency in the service and from the standpoint of economy. The best friends of that proposition now rely upon the argument that carrying mail by aeroplane will train some boys and be a benefit in the military way to this Nation. It was upon that argument that the item, without a vote, was left in the appropriation bill last year. It went out on a point of order in the House and was put on again in the Senate and by the conferees, but without any separate vote. Under the rules of the House now, I understand that will not be possible, and this year we will vote directly as to whether we mean what we say when we say that we are going to stop duplication, and that we are not going to train soldiers in the Postal Department, or in the Agricultural Department, or in the Naval Department, but in the War Department. There is really more excuse for the aeroplane service in the Agricultural Department than in the Post Office Department, because it has not been proven a failure in the Agricultural Department and it has been proven a failure in the Post Office Department.

Mr. MANN of Illinois. We might get fresh eggs in the city in that way, the gentleman thinks.

Mr. TINCHER. Yes; and, according to the chairman of this subcommittee, it has been proven a failure in the Post Office Department. I am not going to criticize the chairman of the subcommittee for putting this legislation in the bill, although I do hope that under our new rule, which gives one great committee the power to appropriate money, there will not be a disposition to legislate very much.

I voted conscientiously for the new rule, thinking legislative committees should not appropriate, and I am just as firm in my belief that the Appropriations Committee should not legislate.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

For inland transportation by railroad routes, \$96,000,000: *Provided*, That not to exceed \$1,500,000 of this appropriation may be expended for pay of freight and incidental charges for the transportation of mails conveyed under special arrangement in freight trains or otherwise: *Provided further*, That the Postmaster General may contract with any individual, firm, or corporation for an aeroplane mail service between such points as he may deem advisable and designate, in case such service is furnished at a cost not greater than the cost of the same service by rail, and shall pay therefor out of the appropriation for inland transportation by railroad routes.

Mr. TINCHER. Mr. Chairman, I make the point of order against lines 10, 11, 12, 13, 14, 15, and 16.

Mr. MADDEN. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. EVANS of Nebraska. Mr. Chairman, I move to strike out the last words for the purpose of asking the chairman a question. Referring now to the last words in line 9, "or otherwise," will it not be possible for the Postmaster General under the authority there given to institute an aeroplane mail service?

Mr. MADDEN. It would not be possible for him to do that.

Mr. EVANS of Nebraska. Not under the words "or otherwise"?

Mr. MADDEN. Freight trains, express trains, and passenger trains, that is really what it means.

Mr. EVANS of Nebraska. But it does not say so.

Mr. MADDEN. That is the language that has been carried for years, and that is the way it has been exercised.

Mr. RAMSEYER. Line 5 says that it is limited to railroad routes.

Mr. MADDEN. This has been carried for years and there has been no abuse of it.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

For the operation and maintenance of aeroplane mail service between such points as may be designated by the Postmaster General, including necessary incidental expenses and employment of necessary personnel, \$1,250,000.

Mr. TINCHER. Mr. Chairman, I make the point of order against the paragraph.

Mr. MADDEN. Mr. Chairman, I concede the point of order.

Mr. JEFFERIS. Is that within the power of the Chairman, just to concede it?

The CHAIRMAN. The Chair will hear the gentleman from Nebraska on the point of order.

Mr. JEFFERIS. Mr. Chairman, last year a certain mail route was established by the appropriation bill of a year ago. Now the people along that line, cities along that line, have established at great expense and have provided these landing fields and hangars. The service is established. It has been fairly successful. It was known that it would be more expensive than railroad transportation when the law was enacted a year ago. It seems to me we are not dealing fairly with the people who have gone into this matter and spent their money and now realize, after a year's experience, that the money they expended for the purchase of fields, hangars, and so forth, is for all practical purposes wasted. Now, these fields and hangars would be a great benefit for this country from the standpoint of war in addition to the commercial benefits now being received from this mail service. These fields and hangars will be ready at any time in case of war for the landing of our airmen, for the repair of their machines, and for Congress at this time on a point of order, rather than to meet with direct vote the question as to whether or not the air mail service will be maintained, seems to me to be unfair to the Congress and unfair to the people.

Mr. MANN of Illinois. Mr. Chairman, as I recall this item was stricken out of the bill on a point of order last year, and I do not recall the decision or the argument upon the question. I just want to make this suggestion: This service is now in the Post Office Department. It is an existing service. I apprehend that a great deal of the Postal Service service is continued by

appropriations as existing service on the ground that it is not subject to a point of order that there is no express authorization of law for it. Whether the ruling will permit the application of that proposition to the Post Office Department I do not know. Of course, that is the invariable ruling connected with the Navy Department; that is the ruling largely in some cases, at least, connected with the military department, the Army. The service in the Army which has been created by authority of appropriation may be continued by appropriation.

Mr. BLANTON. Will the gentleman yield?

Mr. MANN of Illinois. Certainly.

Mr. BLANTON. Suppose the Postmaster General should see fit during this present year to put in a telegraph or telephone service in connection with his letter and parcel-post service and should create a deficiency which Congress should by appropriating money cover in an appropriation bill. Would that be such a service unauthorized by law that would be good against a point of order on an appropriation bill?

Mr. MANN of Illinois. If the Congress appropriates for a telegraph service in the Post Office Department and it was established, I do not feel at all confident that appropriations for that purpose could be stricken out on a point of order, it being an established service. I only make the suggestion so it will receive consideration by the Chair. I confess I have not examined either the decision of last year, and I do not recall it, or the decisions upon that point. I think very much of the service, such as inland transportation by steamboat or by power boat, which is the item just read, is a service that is continued because it is in existence and has been created under appropriations of Congress.

Mr. EVANS of Nebraska. Will the gentleman yield?

Mr. MANN of Illinois. I will.

Mr. EVANS of Nebraska. Does not the gentleman think that the point of order is in effect well taken?

Mr. MANN of Illinois. Well, I am not very lucid, evidently. I am trying to argue the proposition to the Chair, and I am glad the gentleman from Nebraska is not in the Chair, because clearly he does not understand the point I am making.

The CHAIRMAN. The Chair is listening to the gentleman. Does the gentleman from Kansas desire to be heard?

Mr. TINCHER. Mr. Chairman, I simply want to call the attention of the Chairman to the fact that the statute authorizing the carrying of mail on post roads, section 3965, does not mention carrying mail through the air, so there is no authority upon the statute for carrying mail in this manner. The only legislation upon the subject was the act of 1917 when there was a law passed authorizing the expenditure of \$100,000 in the experiment of carrying mail by aeroplane. A very learned and distinguished chairman of this committee went into the subject quite fully, and I am quite sure the present chairman was on the floor at that time and is more familiar with the argument than I am, being a new Member of this body, but it is clear to my mind that it is an attempt to appropriate money for the Postmaster General to spend in a way not authorized by any existing law at this time.

The CHAIRMAN. The Chair is ready to rule.

Mr. JEFFERIS. Mr. Chairman, I would like to have just a word. The gentleman from Kansas [Mr. TINCHER] just said that there is no authorization for carrying mail by air mail planes now in existence; that there is no permanent law for so doing is, as I understand, his position. Now, what is the function of the Postmaster General's office and of the Post Office Department? The function is to carry and expedite the advancement of mail, as I take it, and the function of the Post Office Department can not be that it shall be carried in any particular manner or form unless the law providing therefor has excluded all other manners and methods. In other words, I take it, there must be a large discretion given to the Postmaster General, especially when we consider that Congress has in years past, and especially in the last year, not only provided money for carrying the mail by aeroplane but also provided and pointed out the particular route upon which it should be carried. Now, as suggested by the gentleman from Illinois [Mr. MANN], the department itself, with the sanction and approval of Congress, which a year ago established this service along particular routes, has gone to work and expended the money that was appropriated then for carrying out the purpose of Congress, and it would seem to me that under those conditions a point of order should not be sustained and this item go out. Otherwise Congress could take and provide the manner and method and in what kind of sack or box mail was to be carried from one point to another. Surely no one would claim that Congress should go to that extent. So we have in the air mail service an established service. Money has been expended out of the Public Treasury and by people along the

routes. Consequently to now undertake by any stretch of parliamentary usage to exclude this item is to reverse the decision of Congress of a year ago and do away with an established service, which I think would be detrimental and injurious to the progressive advancement of this country in mail service.

The CHAIRMAN. The Chair is ready to rule. This paragraph under consideration, commencing in line 20 and ending in line 23, gives the Postmaster General authority to go beyond existing work in progress. Therefore, in the judgment of the Chair it is merely a legislative provision, and the point of order raised by the gentleman from Kansas [Mr. TINCER] is sustained.

The Clerk read as follows:

Railway Mail Service: For 15 division superintendents, at \$4,200 each; 2 assistant superintendents, at \$3,100 each; 15 assistant division superintendents, at \$3,200 each; assistant superintendent in charge of car construction, \$3,000; 121 chief clerks, at \$3,000 each; 121 assistant chief clerks, at \$2,500 each; 60 clerks in charge of sections in the offices of division superintendents, at \$2,500 each; 4,495 clerks, grade 6, at \$2,300 each; 7,623 clerks, grade 5, at \$2,150 each; 3,750 clerks, grade 4, at \$2,000 each; 1,618 clerks, grade 3, at \$1,850 each; 716 clerks, grade 2, at \$1,700 each; 3,449 clerks, grade 1, at \$1,600 each; 181 laborers, grade 1, at \$1,450 each; 43 laborers, grade 1, at \$1,350 each; 13 joint employees, grade 1, at not exceeding \$300 each; in all, \$45,000,000; and the appointment and assignment of clerks hereunder shall be so made during the fiscal year as not to involve a greater aggregate expenditure than this sum; and to enable the Postmaster General to reclassify the salaries of railway postal clerks and make necessary appointments and promotions he may exceed the number of clerks in such of the grades as may be necessary.

Mr. HUDSPETH and Mr. MADDEN rose.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] is recognized.

Mr. MADDEN. Mr. Chairman, I desire to offer an amendment, to strike out the word "one," in line 15, page 7, and substitute the word "two."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 7, line 15, after the word "grade," strike out the word "one" and insert in lieu thereof the word "two."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. HUDSPETH. Mr. Chairman, I desire to offer an amendment, on page 7, line 14, by striking out the figures "\$1,600" and inserting "\$1,650."

Mr. MADDEN. I make a point of order against that, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HUDSPETH: Page 7, line 14, strike out the figures "\$1,600" and insert in lieu thereof the figures "\$1,650."

Mr. MADDEN. Mr. Chairman, I make a point of order against the amendment. The law fixes the compensation at \$1,600, and the amendment would change the law. Under this bill we would have no right to do that.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

For rent, light, heat, fuel, telegraph, miscellaneous and office expenses, schedules of mail trains, telephone service, and badges for railway postal clerks, including rental of offices for division headquarters, and chief clerk, Railway Mail Service, in Washington, D. C., and rental of space for terminal railway post offices for the distribution of mails when the furnishing of space for such distribution can not under the Postal Laws and Regulations properly be required of railroad companies without additional compensation, and for equipment and miscellaneous items necessary and incidental to terminal railway post offices, \$1,032,156.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word. I notice a reference here in this paragraph to expenditures which I take it would be paid by the railroad company—items of expense of railroad companies. Is this a reimbursement or an advance to the company with reference to that?

Mr. MADDEN. This is for light, heat, fuel, telegraph service, and office expenses, schedules of mail trains, telephone service, badges of railway postal clerks, and so forth, in terminal stations.

Mr. DOWELL. I understand that. But in the railway transportation?

Mr. MADDEN. Inland transportation of mail by electric trains.

Mr. DOWELL. Yes.

Mr. MADDEN. That is mail that is hauled by electric railways, interurban railroads, and the price per unit is fixed by the Interstate Commerce Commission. For instance, now the space is decided to be so many feet in a car, according to the number of mail pouches carried.

Mr. DOWELL. This is an estimate?

Mr. MADDEN. No; it is not an estimate. It is an actual appropriation.

Mr. DOWELL. It is on an estimate?

Mr. MADDEN. On the basis of the estimate of what we will need for the coming year. All these are estimates of that kind.

Mr. DOWELL. Not all of that kind.

Mr. MADDEN. There is no railroad performance there. All this work is done by the Post Office Department—the rent of space, the lighting, the heating, and the fuel, and all that, and the badges are furnished to the clerks at division headquarters of the Railway Mail Service, and so on; and some of this work is to be done by the railroad companies, and they are reimbursed for their expenditure.

Mr. DOWELL. What I particularly refer to in this item can be found in lines 13, 14, and 15, namely:

For such distribution can not under the postal laws and regulations properly be required of railroad companies without additional compensation.

What does that refer to?

Mr. MADDEN. That refers to this, namely, that the railroad companies are required to handle the mail within the stations. They were required to handle all the mail not only within the station, but 80 rods beyond the station, until the Interstate Commerce Commission changed the law. If they handle any of this work for the Government where the law does not require them to handle it, of course they have to be reimbursed.

Mr. DOWELL. That, as I understand, is fixed by the Interstate Commerce Commission and not by the railroad company?

Mr. MADDEN. Not by the railroad company.

Mr. DOWELL. But only upon the order of the Interstate Commerce Commission?

Mr. MADDEN. Yes.

Mr. MANN of Illinois. This item has been carried for years, without regard to the Interstate Commerce Commission.

Mr. MADDEN. Notwithstanding, the Interstate Commerce Commission fixed this under the space basis compensation act.

Mr. MANN of Illinois. Yes; but there are many cases under the law and under the contracts where the railroad companies can not be required to do certain things in connection with the mail that have to be done. This is to cover those cases where the duty can not be imposed on the railroad company, either under the law or under the contract?

Mr. MADDEN. Nothing can be imposed on the railroads now except work within the station itself. That work outside of the station which formerly was performed by the railroad company through its messenger service is let by contract. If the railroad does it, it is an additional contract over and above the rate charged for the regular service.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. DOWELL. Mr. Chairman, I ask unanimous consent for one minute more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. DOWELL. Is this item, then, on a fixed contract between the Post Office Department and the railroad companies?

Mr. MADDEN. No; you can not have a fixed contract. This is work that they may do from time to time. We can not tell what it is.

Mr. DOWELL. But does not the department know in advance just what there is to be done?

Mr. MADDEN. No; you can not always tell. It depends on the volume of the mail.

Mr. DOWELL. It is not on a contract, but for service rendered?

Mr. MADDEN. Yes; at a rate fixed.

The CHAIRMAN. The pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

For payment of limited indemnity for the injury or loss of pieces of domestic registered matter, insured, and collect-on-delivery mail, \$4,500,000.

Mr. MANN of Illinois. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN of Illinois. I understand the indemnity appropriation is increased from \$3,000,000 to \$4,500,000. I apprehend there is a deficiency appropriation?

Mr. MADDEN. There is a deficiency of \$1,200,000.

Mr. MANN of Illinois. It really seems at first blush, at least, as though there was a very large amount of mail matter lost or destroyed in the mail—\$4,500,000 worth. I do not know how much we pay for either domestic registered matter or for

insurance, but it does seem as though to lose in the course of a year registered or insured parcel-post mail to the extent of \$4,500,000 would indicate a necessity for much more care in the handling of the mails. I can not understand myself how it is possible to lose mail to the extent of \$4,500,000.

Mr. MADDEN. I will just say to my colleague, if he will permit, that these parcel-post packages, when they go through the Post Office Department, pass over a carrier, drop through a chute, and finally on the floor where the stuff is handled, and between the top end of the chute and the top of the floor there is a space of 8 or 10 feet, and the packages come down one after another, and a keg of nails may fall on a woman's bonnet.

Mr. MANN of Illinois. That is extremely poor handling of the mails.

Mr. MADDEN. I agree that it is, and it ought not to be permitted.

Mr. MANN of Illinois. To lose \$4,500,000 in that way means that somebody has to pay it. The Post Office Department, it seems to me, either ought to change its method of handling the parcel post or else change its method of accepting parcels and require them to be properly packed. Of course I understand the American public and the American manufacturer and the American storekeeper are not disposed to pack anything properly.

Mr. MADDEN. I do not think anything could be packed to save it under that kind of handling.

Mr. MANN of Illinois. Well, if we undertake to transport a lady's bonnet, which I do not know that we do, and a keg of nails, which I do not know that we do—

Mr. MADDEN. That was just descriptive—

Mr. MANN of Illinois. I know; we certainly ought to have sense enough not to drop a keg of nails on a woman's bonnet. It would be far wiser not to accept the woman's bonnet than to destroy the bonnet and pay for it. I am not disposed to criticize the Post Office Department. It is on the whole very efficient. I am not at all disposed to criticize the parcel post, which, as a whole, is very beneficial. But I must say there ought to be some system devised by which we do not undertake to pay such an amount for loss or damage.

Mr. BLANTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. It being Saturday afternoon, I think we ought to have a new shift, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and one gentlemen are present, a quorum. The Clerk will read.

Mr. BLANTON. Mr. Chairman, I usually have high regard and high respect for any man that sits in the chair and presides over this body, either over the House or the committee; but when it is so apparent to every man on this floor—

The CHAIRMAN. The gentleman is not in order.

Mr. BLANTON. I make the point of order that there is no quorum here, and everybody here knows it.

Mr. HICKS. Mr. Chairman, I make the point of order that the gentleman from Texas is out of order.

The CHAIRMAN. The gentleman from Texas is out of order, and the Clerk will read.

The Clerk read as follows:

For payment of limited indemnity for the loss of registered articles in the international mails, in accordance with convention stipulations, \$50,000.

Mr. MADDEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 9, strike out lines 18, 19, and 20, and insert in lieu thereof the following: "For payment of limited indemnity for the injury or loss of international registered, insured, and collect-on-delivery mails, in accordance with convention stipulations, \$50,000."

Mr. BLANTON. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Texas moves that the committee do now rise.

The question was taken.

Mr. BLANTON. I ask for tellers, Mr. Chairman, and pending that I ask for a division on the count.

The CHAIRMAN. The yeas seem to have it.

Mr. BLANTON. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 3, noes 67.

Mr. CHINDBLOM. I ask that those be counted as present who did not vote.

Mr. BLANTON. I make the point of no quorum present, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas makes the point of no quorum present. The Chair will count. [After counting.] Eighty-three Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

| | | | |
|----------------|-----------------|-----------------|-----------------|
| Ackerman | Ellsworth | Linthicum | Roden |
| Andrews, Md. | Emerson | Loneragan | Rowan |
| Andrews, Nebr. | Evans, Nev. | Lubling | Rowe |
| Ayres | Fairfield | McCulloch | Rubey |
| Babka | Ferris | McGlennon | Rucker |
| Bacharach | Fields | McKeown | Sabath |
| Baer | Fish | McKiniry | Sanders, Ind. |
| Bankhead | Frear | McKinley | Sanders, La. |
| Bell | Gallagher | McLane | Sanford |
| Benson | Gallivan | MacGregor | Schall |
| Blackmon | Gandy | Maher | Scully |
| Bland, Ind. | Ganly | Major | Sears |
| Bland, Mo. | Glynn | Mann, S. C. | Sells |
| Booher | Godwin, N. C. | Mansfield | Siegel |
| Bowers | Goldfogle | Mason | Sims |
| Britten | Good | Mead | Small |
| Brooks, Pa. | Goodykoontz | Milligan | Smith, Ill. |
| Brumbaugh | Gould | Monahan, Wis. | Smith, Mich. |
| Burke | Graham, Pa. | Montague | Smith, N. Y. |
| Butler | Griest | Moon | Snell |
| Caldwell | Griffin | Mooney | Snyder |
| Candler | Hamill | Moore, Va. | Steagall |
| Cantrill | Hamilton | Morin | Steele |
| Cars | Harrel | Mudd | Stephens, Miss. |
| Casey | Haugen | Neely | Stevenson |
| Clark, Fla. | Hersey | Nelson, Wis. | Stiness |
| Clark, Mo. | Hill | Newton, Mo. | Strong, Pa. |
| Coady | Hull, Tenn. | Nicholls | Sullivan |
| Copley | Husted | Nolan | Swope |
| Costello | Hutchinson | O'Connell | Taylor, Tenn. |
| Crisp | Jacoway | Olney | Thomas |
| Crowther | James, Mich. | Padgett | Vare |
| Cullen | Johnson, Ky. | Parker | Voigt |
| Currie, Mich. | Johnston, N. Y. | Patterson | Volk |
| Dale | Jones, Pa. | Perlman | Whaley |
| Davey | Juul | Porter | Wheeler |
| Davis, Minn. | Kahn | Purnell | Williams |
| Davis, Tenn. | Kelley, Mich. | Radcliffe | Wilson, Ill. |
| Dempsey | Kennedy, Iowa | Rainey, Ala. | Wilson, Pa. |
| Denison | Kless | Rainey, Ill. T. | Wise |
| Dewalt | Kincheloe | Ramsey | Wood, Ind. |
| Doelling | Kitchin | Randall, Calif. | Wright |
| Doughton | Klecza | Randall, Wis. | Yates |
| Drewry | Kreider | Ransley | Young, Tex. |
| Dunn | Langley | Reavis | |
| Dyer | Layton | Rlordan | |
| Edmonds | Leshner | Robinson, N. C. | |

The committee rose; and the Speaker having resumed the chair, Mr. McARTHUR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the Post Office appropriation bill, H. R. 15441, found itself without a quorum, whereupon he caused the roll to be called, when 245 Members, a quorum, responded to their names, and he handed in the names of the absentees for printing in the Journal and Record.

The SPEAKER. The committee will resume its session.

The committee resumed its session, with Mr. McARTHUR in the chair.

The CHAIRMAN. At the time the point of no quorum was made an amendment was pending offered by the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, I simply desire to say that this amendment only incorporates the word "injury" for the purpose of conforming to the provision in the postal convention. The convention is a treaty and is therefore the law of the land, and this complies with its provisions.

Mr. GARD. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GARD. I am interested in knowing what is meant by the phrase "in accordance with convention stipulations"?

Mr. MADDEN. This country and about 80 other countries of the world are joined in a postal convention. They hold sessions once a year and fix the rate of postage between the different countries. They provide for the transportation of the mails after they are landed on either side of the ocean. For example, the United States transports all American mail to European ports—

Mr. GARD. Do they provide for the rates of payment for registered-mail losses?

Mr. MADDEN. Everything of that kind is provided for in the convention, and this is to comply with the convention.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois [Mr. MADDEN].

The amendment was agreed to.

The Clerk read as follows:

For traveling and miscellaneous expenses in the service of the Postal Savings System, office of the director, \$500.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the last word. Yesterday during the general debate there was some discussion between the chairman of the committee and myself as to whether postal savings funds could be

deposited in banks that were not members of the Federal reserve system. In that connection I wish to read from yesterday's RECORD:

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. SUMMERS of Washington. I understand they have taken the deposits out of every bank except the Federal reserve banks.

Mr. MADDEN. Yes; but if there is no Federal reserve bank in the neighborhood any bank that has the security required by law can get the deposits.

Mr. SUMMERS of Washington. I beg the gentleman's pardon—

Mr. MADDEN. Oh, I know it.

Mr. SUMMERS of Washington. They have just taken the postal-savings deposits out of all the banks.

Mr. MADDEN. They did not take them out on that account. I know what the facts are, and I can tell the gentleman the reason. The board believed it would be wiser to take the deposits of the Postal Savings System and earn as much revenue as possible with them. Now, how did they do it? They took \$105,000,000 of the \$168,000,000 and bought Liberty bonds with them, and this \$105,000,000 has a face value of \$111,000,000, and besides that, they are getting 5 per cent or 6 per cent interest on the money actually invested, instead of keeping it in the banks at 2½ or 2½ per cent.

Mr. FESS. Does not the gentleman think that is rather a questionable proceeding for the Government?

Mr. MADDEN. It may be questionable. It may not have been wise if there was stress. At the same time I think it is a justifiable thing to do, for, after all, the management of any institution is justified in doing any legitimate thing that is within the law to make the best possible showing.

Mr. FESS. What I referred to was the Government buying its own bonds at a discount and making money out of the transaction.

Mr. MADDEN. Oh, I think they ought to have paid par. I do not think the Government of the United States ought to buy its own paper for less than par.

Mr. FESS. That is what I had in mind.

Mr. MADDEN. I agree with the gentleman on that.

Mr. HUSTED. Has the gentleman any statement of the total postal-savings bank deposits?

Mr. MADDEN. The total postal-savings bank deposits amount to \$168,000,000.

For the information of the chairman of the committee [Mr. MADDEN] and other members of the committee, I wish to read a letter from the Third Assistant Postmaster General:

POSTAL SAVINGS SYSTEM.
THIRD ASSISTANT POSTMASTER GENERAL,
Washington, December 29, 1920.

Hon. J. W. SUMMERS,

House of Representatives, Washington, D. C.

MY DEAR MR. SUMMERS: With reference to your telephonic inquiry of this morning, concerning recent withdrawals of postal savings funds from depository banks, I have to inform you that withdrawals have been made upon a percentage basis from all banks, members of the Federal Reserve System, qualified to receive postal savings funds, and they do not reflect in any degree whatever upon the integrity of the banks. They have been made in a gradual manner so as to disturb the banks as little as possible and not to cause them any more inconvenience than necessary.

Under the provisions of the law creating the Federal Reserve System and subsequent amendments made thereto, the Postal Savings System is without authority to make deposits with nonmember banks. At the time of the passage of the act all banks were informed that postal savings funds would be allowed to remain on deposit with their institutions a sufficient length of time to enable them to become members of the Federal Reserve System. As six years have now elapsed it was decided to withdraw the balance on deposit with banks which had not become members of the Federal Reserve System.

Postal savings deposits are subject to withdrawal on demand at any time. The board of trustees of the Postal Savings System is vested with authority to withdraw funds for transfer from one depository to another, for increase of the lawful reserve fund to the amount fixed by law, for payments to the Postal Service, and for investments under provisions of the organic law creating the system and subsequent amendments.

Respectfully,

W. J. BARROWS,
Acting Third Assistant Postmaster General.

Mr. Barrows stated to me personally that in the future there would be no deposits made with any banks that were not members of the Federal Reserve System. In fact, under the law the department has no authority to do so. There have been some complaints along this line. The argument is set up that these funds originated in the various local communities and that they should be kept on deposit in the communities in which they originated. With this argument I am much in sympathy, but evidently the department has acted only under authority of law.

The Clerk read as follows:

For inland transportation by star routes (excepting service in Alaska), including temporary service to newly established offices, \$13,000,000.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. Considerable has been said here during the debate upon this bill relative to the injustice being done a great many star-route contractors. In a debate on the floor of the House on Tuesday, December 28 last, a colloquy occurred between the gentleman from Illinois [Mr. MADDEN] and the gentleman from Texas [Mr. BLANTON] about the sufficiency of legislation which would enable the Post Office Department to grant redress to a good many of the star-route contractors who have suffered particularly through the advance in the cost of living. I had occasion to take that matter up with the Postmaster General

and asked him just what the facts were in connection with the existing legislation. I have a letter from him here, which reads as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., January 5, 1921.

Hon. CLAY STONE BRIGGS,

House of Representatives.

MY DEAR MR. BRIGGS: In answer to your letter of the 3d instant, in which you quote from statements made by Congressman MADDEN on the floor of the House of Representatives concerning authorization of law for the Postmaster General to adjust contracts for star route service entered into prior to the war and up to a certain date after the war began, and requesting a statement why the department has declined to readjust the compensation of contractors on certain star routes in Texas and the law upon which adverse action was based, I beg to call attention to the fact that, inasmuch as contracts for this class of service are awarded to lowest bidders after public advertisement, as provided for by law, and as the law specifies the general terms of the proposal, bond, and contract by which the contractor binds himself to perform the service for a specific term at the rate named in his proposal and gives bond guaranteeing the fulfillment of the contract, there is no authority of law whereby the department can readjust compensation under such a contract.

Congress evidently recognized this situation when, in the act of July 2, 1918, making appropriation for the service of the Post Office Department for the fiscal year ended June 30, 1919, the following provision was inserted:

"That the Postmaster General is authorized to investigate conditions arising from contracts in the star route, screen wagon, and other vehicle service entered into prior to June 30, 1917, and from contracts for furnishing envelopes, blanks and blank books, and the Official Postal Guide, for contracts entered into prior to June 30, 1917, with a view to determining whether any adjustment should be made in the compensation and to adjust the same for materials or services hereafter to be furnished or rendered in cases where the facts disclose the necessity for such adjustment, or, in his discretion, with the consent of the contractor and his bondsmen, the Postmaster General may cancel such contracts."

Acting under this legislation, the contracts entered into prior to June 30, 1917, for the class of service named have been investigated and adjustments made in all cases where the contractor has made application therefor and the facts disclosed the necessity for such action.

All contracts for star route service in the State of Texas expired by limitation on June 30, 1918, and all existing contracts for service in that State were entered into subsequent to March 15, 1918, and do not therefore come within the provisions of the act of July 2, 1918, as above quoted, and it might be proper to add that where contracts were entered into subsequent to July 1, 1917, the contractors must have been aware of the unusual conditions prevailing as a result of the European war and that their bids were submitted in the light of those conditions.

Sincerely, yours,

A. S. BURLESON.

The contracts in my district have been made since June 30, 1917, and therefore, the Postmaster General asserts, can not be considered for relief under existing law. They run for four years, I understand, and were made early in 1918, along with similar contracts in what is known as the western postal zone. Contracts in other zones were made a year or two earlier, and therefore have enjoyed relief that has not been accorded to Texas and the West. The star-route contractors and their bondsmen have been suffering intensely from heavy financial losses brought on by the war, particularly in my district and elsewhere in the State of Texas, and, I understand, all through the West. A bill was introduced in this Congress for their relief by the gentleman from Oregon [Mr. SINNOTT], and I have been often urging some such relief, but I understand that bill was unfavorably reported by the Committee on the Post Office and Post Roads. This condition is one that is of greatest moment to the rural districts, districts which are not able to make a sufficient showing to have rural routes established, and which must depend on the star-route service for their mail.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. CHINDBLOM. Does the gentleman contend that these contractors should be reimbursed for the increased cost of living or only for the increased cost of carrying the mail?

Mr. BRIGGS. Only for the increased cost of carrying the mail; only for the increased cost of the service which they could not reasonably anticipate.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. MADDEN. The testimony in the hearings, at page 110, shows that Mr. Wood, who is in charge of the star-route contracts, says that a number of these contracts have been adjusted, from July 1 to October 31, 1920. From July 1 to October 31, 1920, they seem to have adjusted 230 contracts. The average increase allowed on the adjustment was \$307.80. I do not know whether all of the contracts that had a right to be adjusted were adjusted.

Mr. BRIGGS. That is the point I make, that those adjustments relate only to certain contracts entered into prior to June 30, 1917, and to no others.

Mr. MADDEN. There were other contracts.

Mr. BRIGGS. But the letter I have just read contains a statement to the effect that the Postmaster General, acting under the legislation which he quotes in the letter, investigated

and adjusted losses only as to contracts entered into prior to June 30, 1917, and that such adjustments were made in all cases where the contractor had made application therefor and the facts disclosed the necessity for such action. He did not, and apparently, under the law cited, could not, adjust losses on contracts made after June 30, 1917.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRIGGS. Facts show that the highest cost of living came after 1917 and went forward by leaps and bounds, and the people who made these star-route contracts in my district do not profess to be great, keen, experienced contractors who keep posted on what is likely to occur far in the future during a great war. The contractors in my district are men of very modest means and many of them have exhausted all of their resources to carry out these contracts. I have one case in mind in particular where the man killed about six head of stock in trying to carry not only the ordinary mail every day but also wagonloads of implements and heavy mail shipped by parcel post about three times every week, which had to be carried 20 miles or more over very bad roads, and yet he got in return only \$900 a year. The sureties could not even get anyone to carry on the work for \$1,200 a year after the contractor finally failed, and they have been losing \$30 a month and their man has given it up; so that unless they pay more the mail can not be carried. That condition has prevailed for some time now, and the facts recited justify some relief at the hands of this Congress. Provision was made for the contractors who constructed Government buildings and for the losses sustained by them due to the increased cost of living and other costs, but these little fellows have had no relief, and the contractors and sureties have not only suffered but the public service has suffered. The Postmaster General is in error when he says in his letter that contractors making star-route contracts after July 1, 1917, must have been aware of the losses which would be encountered as a result of increased war costs and abnormal increase of parcel post and ordinary mail matter. No one at that time either did or could have foreseen it.

Mr. PARRISH. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. PARRISH. In connection with what the gentleman has said, I would state that in sections of the country where oil excitement has prevailed, as it has in many sections of Texas, congested conditions have put unusual work on such carriers, and they have been forced to carry the mail over roads that were almost impassable. In this way many of these people have become bankrupt and are now carrying the mail at the expense of their bondsmen.

Mr. BRIGGS. It is true that in most of the counties in my district the same condition obtains. It seems impossible to get any relief unless this Congress will consent to extend the provisions of the act referred to, so that the Postmaster General may have some discretion to adjust losses in cases under contracts entered into subsequent to June 30, 1917. This has not been done, and now ought to be passed without delay.

There has been several statements by the gentleman from Illinois [Mr. MADDEN] that the Post Office Department has said that in a number of cases it had been able to relet such contracts for less than the original contract price. I want to say that the Post Office officials have not had any such experience as that in my district if the way they fight against and refuse to release present star-route contractors and sureties is any indication of the facts in the matter. Surely our great Government is as generously inclined to the poor, hard-working, struggling star-route carrier as it is to the great railroad carriers, to which Congress has so recently granted enormous increases and guaranties against losses.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

The Clerk read as follows:

For pay of rural carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferrage, Rural Delivery Service, and for the incidental expenses thereof, \$86,800,000.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word. It occurs to me that this item of \$86,800,000 should have a more specific statement. The items are enumerated in the paragraph, but it occurs to me that as the items for this amount of expenditure are expressed that this committee can know absolutely nothing about it from the statement in the bill.

Mr. MADDEN. I will be delighted to inform the gentleman.

Mr. DOWELL. Now, I notice there are a number of items in the paragraph "Pay of rural carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations," and so forth. Does not the chairman of the committee believe that this should be set out in the bill, that the committee having it under investigation should have told us more about where this money is going?

Mr. MADDEN. The reason why it has not been set out in the bill is that the law passed June, 1920, fixed the compensation and the conditions, and the committee thought it would be unwise to clutter up the bill with a lot of language by carrying all of that in it when the actual law is on the books.

Mr. DOWELL. But it does not hurt the appearance of the bill to place in the item, for instance, of annual sick leave; it does not hurt the appearance of the bill to place in there what the rural substitutes cost, and it would not destroy the appearance of the bill to have what the rural carriers are paid.

Mr. MADDEN. Here is the whole story: There were established 333 new routes last year. The average mileage of each route is 26. The standard route is 24 miles, for which the average pay is \$75 per mile. The travel beyond 24 miles of standard route is paid for at the rate of \$30 per mile per annum, and the average number of people served on each route is 500. The total number of routes were 43,462 on November 30 and the pay is based on the act of June 5, 1920. The provision for men on sick leave is a new provision, never carried in the law before, because we never had men in the Postal Service who were allowed sick leave before.

Mr. DOWELL. But the committee now, I understand, has made allowance for that very item?

Mr. MADDEN. Yes.

Mr. DOWELL. Should it not be set out here so that the committee may know what the investigation has shown? We are unable here, at least I am, to know anything about the \$86,000,000 item. It seems to me an item of that character, of that size, ought at least to have some consideration here, and I do not believe that there is a Member, outside of those who have investigated it, who can tell for what purpose this \$86,000,000 is in bulk.

Mr. MADDEN. Well, I have given the gentleman the number of routes and the pay; \$1,800 for a 24-mile route and \$30 a mile from 24 miles on, and no route can be paid more than \$2,300. If the route runs below 24 miles, we pay less than \$1,800. It can not be said with definite certainty how much it will cost for substitutes for sick leave, because we do not know how many men will have sick leave.

Mr. DOWELL. But you have made an allowance?

Mr. MADDEN. We have; but it must be an estimated allowance.

Mr. DOWELL. Could not you tell the committee just what you have allowed for that item? Is not that fair to the House and the committee?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. I think the gentleman understands it is impossible to say how much.

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RAMSEYER. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HOCH. Mr. Chairman, I rise in opposition to the pro forma amendment. Mr. Chairman and gentlemen, I do not want to detain the committee, but while we are upon this item dealing with the Rural Mail Service I desire to make an observation or two, particularly with reference to the basis of pay to which the chairman of the committee has just referred, and also relative to the initial cost and the maintenance of the equipment necessary to do the work.

As members of the committee generally are aware, I assume, the rural carrier receives no promotions. He is paid \$1,800 a year for a standard route of 24 miles and \$30 a mile for each additional mile, and this regardless of length of service and regardless of the amount of mail carried. While I realize we can not correct that on this appropriation bill under the rules, I believe there is a legitimate complaint on the part of the rural carrier with reference to the absence of promotion in rural carrier service, such as exists in other branches of the Postal Service. A promotion system such as others enjoy would furnish encouragement and incentive and promote the interests of the service.

I want to call attention to another thing with reference to the rural carrier's pay. He must pay for all of his equipment

and maintain it out of his pay. It is a very heavy expense, and particularly under conditions which now prevail and have prevailed for several years. In order to have definite information on the subject I have secured itemized statements from a large number of carriers in my district covering the actual initial cost of their equipment and the actual maintenance cost. I have the items in a table, made by 30 carriers from their books, covering a period of one year. The actual average initial cost of equipment was \$835.55. The average depreciation figured is about 24 per cent. The average actual operating expenses for a year was \$751.25. It is all itemized. Now, \$725 of actual outlay for maintenance, not including depreciation, taken from \$1,800, as you can see, does not leave the pay of the rural carriers anything like that which a great many people think they receive. I believe we ought to get a more equitable basis

for pay of rural carriers, and perhaps provide a separate maintenance allowance, or in some other way adjust this phase of the matter. It ought not to be carried simply as a fixed sum, without promotions and with no allowance for equipment and maintenance. The rural carrier does not now receive fair credit for the expenditure which he must make in maintaining his service.

Mr. Chairman, I ask unanimous consent to include in my remarks this table, because I believe it will be of interest to Members as showing the actual expenditure as itemized by these 30 carriers.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

The following is the table referred to:

| Rural carrier equipment. | | | | | | | | | | | | | | | |
|--------------------------|---|----------|----------|--------------------------|-----------------------------|------------------------|---------|---------------------------------------|----------|-------------|----------|---------|---------------------------------------|----------|-----------------|
| No. | Original cost. | | | | Annual cost of maintenance. | | | | | | | | | | |
| | Horse-drawn equipment. | | | Auto- mobile cost. | Total cost. | Horse-drawn equipment. | | | | Automobile. | | | | | Grand total. |
| | Kind. | Cost. | | | | Hay. | Grain. | Repairs and miscel- laneous. | Total. | Gas. | Oil. | Tires. | Repairs and miscel- laneous. | Total. | |
| 1 | 2 horses, buggy, and harness..... | \$300.00 | \$725.00 | \$1,025.00 | | \$337.00 | \$50.00 | \$387.00 | \$150.00 | \$45.00 | \$136.00 | \$50.00 | \$381.00 | \$768.00 | |
| 2 | 2 horses, wagon, buggy, and harness..... | 422.00 | 610.00 | 1,032.00 | \$200.00 | 199.50 | | 399.50 | 221.00 | 48.00 | 188.20 | 121.45 | 578.65 | 878.15 | |
| 3 | 2 horses, buggy, and harness..... | 382.00 | 613.00 | 995.00 | 81.00 | 174.00 | | 258.00 | 180.00 | 30.00 | 144.00 | 94.00 | 448.00 | 703.00 | |
| 4 | 2 horses, mail wagon, and harness..... | 575.00 | 755.00 | 1,330.00 | 106.94 | 36.17 | 43.40 | 186.51 | 115.44 | 8.34 | 104.95 | 114.45 | 343.18 | 529.69 | |
| 5 | 1 horse, cart, and harness..... | 143.00 | 392.85 | 535.85 | 68.25 | 78.60 | 26.98 | 173.83 | 144.30 | 42.50 | 123.50 | 133.00 | 443.80 | 617.13 | |
| 6 | 2 horses, mail wagon, and harness..... | 200.00 | 400.00 | 600.00 | 180.00 | 180.00 | 60.00 | 420.00 | 240.00 | | 150.00 | 60.00 | 450.00 | 870.00 | |
| 7 | 2 horses, cart, and harness..... | 150.00 | 760.00 | 910.00 | 80.00 | 144.00 | 20.00 | 244.00 | 187.20 | 48.00 | 162.80 | 151.00 | 559.00 | 803.00 | |
| 8 | 2 horses, mail wagon, and harness..... | 150.00 | 700.00 | 850.00 | 120.00 | 170.00 | 15.00 | 305.00 | 208.89 | 19.20 | 203.00 | 97.50 | 528.59 | 833.59 | |
| 9 | do..... | 375.00 | 725.00 | 1,100.00 | 125.00 | 100.00 | | 225.00 | 200.00 | 55.00 | 125.00 | 100.00 | 480.00 | 705.00 | |
| 10 | do..... | 330.00 | 600.00 | 930.00 | 216.00 | 240.00 | 84.00 | 540.00 | 129.60 | 57.00 | 120.00 | | 306.60 | 846.60 | |
| 11 | 1 horse, cart, and harness..... | 215.00 | 600.00 | 815.00 | | 185.14 | 25.00 | 211.14 | 243.13 | 20.00 | 92.19 | 44.18 | 399.50 | 610.64 | |
| 12 | 2 horses, buggy, and harness..... | 385.00 | 725.00 | 1,110.00 | 180.00 | 240.00 | 60.00 | 480.00 | 174.00 | 24.00 | 144.00 | | 342.00 | 822.00 | |
| 13 | 2 horses, buggy, harness, and saddle..... | 627.00 | 715.10 | 1,342.10 | | | | 530.64 | 187.20 | 48.00 | 171.48 | 30.00 | 435.68 | 967.32 | |
| 14 | 3 horses, buggy, and harness..... | 300.00 | 788.50 | 1,088.50 | | | | 400.00 | | | | | 535.00 | 935.00 | |
| 15 | 1 horse, buggy and harness..... | 175.00 | 600.00 | 775.00 | | | | 180.00 | | | | | 528.65 | 703.65 | |
| 16 | 2 horses, buggy, and harness..... | 300.00 | 728.00 | 1,028.00 | | | | 240.00 | | | | | 660.00 | 960.00 | |
| 17 | 2 horses, mail wagon, and harness..... | 425.00 | 1,075.00 | 1,500.00 | | | | 234.00 | | | | | 360.00 | 594.00 | |
| 18 | do..... | 280.00 | 650.00 | 930.00 | | | | 300.00 | | | | | 600.00 | 900.00 | |
| 19 | Hired team when needed..... | | 400.00 | 400.00 | | | | 75.00 | | | | | 612.65 | 687.65 | |
| 20 | Mail wagon (hired horses)..... | 60.00 | 600.00 | 660.00 | | | | 75.00 | 200.00 | 35.00 | 140.00 | 75.00 | 450.00 | 625.00 | |
| 21 | 2 horses, mail wagon, and harness..... | 400.00 | 500.00 | 900.00 | | | | 200.00 | | | | | 700.00 | 900.00 | |
| 22 | 2 horses, buggy, and harness..... | 200.00 | 390.00 | 590.00 | | | | 300.00 | 202.80 | 52.00 | 112.00 | 52.80 | 419.60 | 719.60 | |
| 23 | do..... | 350.00 | 500.00 | 850.00 | | | | 470.00 | | | | | 500.00 | 970.00 | |
| 24 | 2 horses, mail wagon, and harness..... | 400.00 | 500.00 | 900.00 | | | | 200.00 | | | | | 700.00 | 900.00 | |
| 25 | Hired outfit when needed..... | | 600.00 | 600.00 | | | | 58.25 | 180.34 | 33.40 | 100.19 | 172.31 | 453.24 | 544.42 | |
| 26 | 2 horses, buggy, cart, and harness..... | 225.00 | 520.00 | 745.00 | | | | 240.00 | | | | | 480.00 | 720.00 | |
| 27 | 4 horses, wagon, buggy, and harness..... | 600.00 | | 600.00 | 300.00 | 324.00 | 96.00 | 720.00 | | | | | 720.00 | 1,440.00 | |
| 28 | 3 horses, wagon, and harness..... | 350.00 | | 350.00 | | | | 720.00 | | | | | 720.00 | 1,070.00 | |
| 29 | 2 horses, buggy, and harness..... | 375.00 | | 375.00 | 180.00 | 255.00 | | 435.00 | | | | | 435.00 | 720.00 | |
| 30 | do..... | | 600.00 | 600.00 | | | | | 216.00 | 120.00 | 300.00 | 74.00 | 700.00 | 1,000.00 | |
| | Average..... | | | \$35.55 | | | | | | | | | | \$71.25 | |

¹ Hay and grain.

² Gas and oil.

³ Includes repairs.

⁴ Hire of equipment.

⁵ Hire of horses.

NOTE.—Depreciation not figured in cost of maintenance. Average depreciation reported, about 24 per cent.

The CHAIRMAN. The Clerk will read.
The Clerk read as follows:

For travel and miscellaneous expenses in the Postal Service, office of the Fourth Assistant Postmaster General, \$1,000.

Mr. STEENERSON. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman rise?
Mr. STEENERSON. I rise to offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

Mr. STEENERSON. I was about to rise, but the Chairman did not see me, when we finished reading the other section. The amendment comes in after line 17, but, of course, it does not make any difference.

The CHAIRMAN. The gentleman was on his feet. The Clerk will report the amendment.

The Clerk read as follows:

Mr. STEENERSON offers the following amendment: Insert, after line 17, page 13, the following:

"SEC. 2. That the joint commission authorized under section 6 of the act approved April 24, 1920, entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes,' is hereby continued until June 30, 1922, to complete the investigation and to prepare a detailed report containing a summary of its findings thereof, and such recommendations as to legislation as it may deem to be proper."

Mr. GARD. Mr. Chairman, I make a point of order on that.

Mr. STEENERSON. Will the gentleman reserve it? I would like to explain the reason for the amendment.

Mr. GARD. Yes; I will reserve the point of order.

Mr. STEENERSON. The point of order is, of course, good, but the reason this is offered is that the chairman of the commission, Senator TOWNSEND, requested that this be done. I took the matter up with the Committee on the Post Office and Post Roads, and they passed a resolution authorizing me to present this amendment to the House. I also explained the matter to the chairman of the subcommittee of the Appropriations Committee, the gentleman from Illinois [Mr. MADDEN]. Therefore, the legislative committee, that has control of this, has requested that this amendment be offered. The joint commission was created by the last Post Office appropriation bill. They did not have any meeting except to organize until after Congress adjourned. They were authorized to appoint an advisory council. This advisory council consisted of eminent men mostly from large cities like Boston, New York, and Philadelphia. They met in New York and decided that there should be a thorough investigation of the whole Postal Service by efficiency engineers, which engineers have been employed. They have been at work now about two months, and it is manifest it will take at least a year more to finish the work. And it is the unanimous wish of the members of the commission, of both parties—

Mr. GARD. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. GARD. The gentleman is still chairman of the Committee on the Post Office and Post Roads, is he not?

Mr. STEENERSON. Yes.

Mr. GARD. Can it not bring in a bill for this purpose?

Mr. STEENERSON. I will explain that the chairman of the joint commission requested the presentation of this, for unanimous consent, and in deference to his desire I imagined if it was not put on now, and the House given a chance to consider it, it might come back here by being inserted by the Senate on this same bill.

I thought we might as well face the question at once, and in deference to the chairman of the commission I promised to submit it to the House. I think it very desirable that the work of this commission should be continued, and inasmuch as both the appropriating committee and the legislative committee having to do with this bill have now agreed that this should be done, I hope that there will be no objection.

Mr. GARD. Mr. Chairman, I make the point of order against the amendment proposed by the gentleman from Minnesota.

The CHAIRMAN. Does the gentleman from Illinois [Mr. MADDEN] wish to be heard?

Mr. MADDEN. I do not.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MADDEN. Mr. Chairman, I move that the committee do now rise and report the bill to the House.

The CHAIRMAN. The gentleman from Illinois moves that the committee do now rise and report the bill to the House. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McARTHUR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 15441) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1922, and for other purposes, had directed him to report the same back to the House with amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. MADDEN. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The SPEAKER. The gentleman from Illinois moves the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

Mr. TILSON. I understand, Mr. Speaker, there is but a single amendment.

The SPEAKER. There are two amendments. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MADDEN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. LONERGAN, by unanimous consent (at the request of Mr. GLYNN), was granted leave of absence for three weeks, on account of illness.

ADJOURNMENT.

Mr. MADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p. m.) the House adjourned until Monday, January 10, 1921, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

308. A letter from the chairman of the Federal Trade Commission, transmitting report on country grain marketing; to the Committee on Agriculture.

309. A letter from the Secretary of War, transmitting letter from the Chief of Staff in connection with the disposition of useless executive papers; to the Committee on Disposition of Useless Executive Papers.

310. A letter from the Secretary of the Treasury, transmitting report from the accounting officers of the Treasury Department showing what officers of the Government were delinquent in rendering their accounts for the fiscal year 1920; to the Committee on Expenditures in the Treasury Department.

311. A letter from the Secretary of the Treasury, transmitting supplemental estimates of appropriations required for the public schools for the District of Columbia for the current fiscal year (H. Doc. No. 962); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SIEGEL, from the Committee on the Census, to which was referred the bill (H. R. 14498) for the apportionment of Representatives in Congress amongst the several States under the Fourteenth Census, reported the same without amendment, accompanied by a report (No. 1173), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HULL of Iowa, from the Committee on Military Affairs, to which was referred the bill (H. R. 13040) authorizing the Secretary of War to grant to Lloyd E. Gandy, of Spokane, Wash., his heirs and assigns, the right to overflow certain lands on the Fort George Wright Military Reservation at Spokane, Wash., on such terms as may be prescribed by the Secretary of War, and for other purposes, reported the same without amendment, accompanied by a report (No. 1174), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. TOWNER, from the Committee on Insular Affairs, to which was referred the bill (H. R. 15476) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," approved August 29, 1916, reported the same without amendment, accompanied by a report (No. 1176), which said bill and report were referred to the House Calendar.

Mr. VENABLE, from the Committee on Naval Affairs, to which was referred the joint resolution (H. J. Res. 428) to repeal section 8 of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, reported the same with an amendment, accompanied by a report (No. 1177), which said joint resolution and report were referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 14925) granting a pension to Margaret Whelan, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. JOHNSON of Washington: A bill (H. R. 15601) to amend the act entitled "An act to regulate further the entry of aliens into the United States"; to the Committee on Foreign Affairs.

By Mr. FORDNEY: A bill (H. R. 15602) to provide for the erection of an addition to the post-office building at Saginaw West Side, Mich.; to the Committee on Public Buildings and Grounds.

By Mr. JOHNSON of Washington: A bill (H. R. 15603) to amend the act entitled "An act to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule for the naturalization of aliens throughout the United States," approved June 29, 1906, as amended, and the act entitled "An act in reference to the expatriation of citizens and their protection abroad," approved March 2, 1907, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. KNUTSON: A bill (H. R. 15604) to provide for an additional judge of the district court of the United States for the district of Minnesota; to the Committee on the Judiciary.

By Mr. KELLY of Pennsylvania: A bill (H. R. 15605) to provide for the transfer of certain officers of the Medical Reserve Corps, United States Navy, to the regular Navy service; to the Committee on Naval Affairs.

Also, a bill (H. R. 15606) to provide for the exchange of Liberty bonds and Victory notes for Liberty gold notes of the United States; to the Committee on Way and Means.

By Mr. BUTLER: A bill (H. R. 15607) to place the direction and management of all vessels in the service of the Government under the control of the Secretary of the Navy in case of war or national emergency; to the Committee on Naval Affairs.

Also, a bill (H. R. 15608) to equalize the rank, pay, allowances, and other benefits of warrant officers in the Marine Corps with warrant officers in the Navy; to the Committee on Naval Affairs.

By Mr. KRAUS: A bill (H. R. 15000) to extend the benefits of the naval appropriation act of June 4, 1920, to chief pharmacists and pharmacists of the United States Navy; to the Committee on Naval Affairs.

By Mr. LUFKIN: A bill (H. R. 15610) for the establishment of marine schools, and for other purposes; to the Committee on Naval Affairs.

By Mr. McPHERSON: A bill (H. R. 15611) to establish the grades of pay clerk, chief marine gunner, chief quartermaster clerk, and chief pay clerk in the United States Marine Corps; to the Committee on Naval Affairs.

By Mr. DARROW: A bill (H. R. 15612) to provide for the retirement of certain officers of the United States Marine Corps on account of disability contracted in line of duty; to the Committee on Naval Affairs.

By Mr. PETERS: A bill (H. R. 15613) to recover the value of public property lost by persons in the naval service through abuse or negligence; to the Committee on Naval Affairs.

By Mr. LUFKIN: A bill (H. R. 15614) to authorize the President of the United States to classify and name the vessels of the Navy; to the Committee on Naval Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 15615) authorizing and directing the Secretary of Agriculture to establish a farm-produce exchange, and for other purposes; to the Committee on Agriculture.

By Mr. VAILE: A bill (H. R. 15616) for the relief of volunteer officers and soldiers who served in the Philippine Islands beyond the period of their enlistment; to the Committee on Military Affairs.

By Mr. LEHLBACH: Resolution (H. Res. 638) providing for a janitor to the Committee on Reform in the Civil Service at \$720 per annum; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAMPBELL of Kansas: A bill (H. R. 15617) to correct the military record of Alonzo Rich; to the Committee on Military Affairs.

By Mr. CARSS: A bill (H. R. 15618) granting an increase of pension to Charles N. Ashford; to the Committee on Invalid Pensions.

By Mr. COLE: A bill (H. R. 15619) granting a pension to Lida Haskell; to the Committee on Invalid Pensions.

By Mr. FORDNEY: A bill (H. R. 15620) granting a pension to Jetora E. Anderson; to the Committee on Invalid Pensions.

By Mr. HILL: A bill (H. R. 15621) granting an increase of pension to Alice M. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15622) granting a pension to Nelson H. Henry; to the Committee on Invalid Pensions.

By Mr. KELLEY of Michigan: A bill (H. R. 15623) granting a pension to Mary Marshall; to the Committee on Invalid Pensions.

By Mr. McDUFFIE: A bill (H. R. 15624) for the relief of J. E. Hendrix; to the Committee on Claims.

By Mr. RAMSEYER: A bill (H. R. 15625) granting a pension to Susan E. Allgood; to the Committee on Invalid Pensions.

By Mr. RICKETTS: A bill (H. R. 15626) granting a pension to Sarah Barnett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15627) granting a pension to Tillie Parkhurst; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 15628) granting a pension to Lizzie J. Levensaler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15629) granting a pension to Annie T. Lamarche; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15630) granting an increase of pension to Amanda M. Bailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15631) granting a pension to Selden E. Brann; to the Committee on Invalid Pensions.

By Mr. WINSLOW: A bill (H. R. 15632) granting an increase of pension to Josiah B. Hall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15633) granting a pension to Emily D. Mitchell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4882. By the SPEAKER (by request): Petition of American Association of State Highway Officials, of Richmond, Va., favoring the McArthur bill (H. R. 14905); to the Committee on Roads,

4883. By Mr. DARROW: Petition of Presbyterian Ministerial Association of Philadelphia, Pa., urging legislation to prohibit importation of morphia and exportation of opium, etc.; to the Committee on Interstate and Foreign Commerce.

4884. Also, petition of National Association of Purchasing Agents, advocating legislation against commercial bribery; to the Committee on Interstate and Foreign Commerce.

4885. By Mr. JOHNSON of Washington: Petition of citizens of Tacoma Wash., favoring the Sheppard-Towner bill (H. R. 10925); to the Committee on Interstate and Foreign Commerce.

4886. By Mr. MOONEY: Petition of Gerber Camp, No. 88, Department of Ohio, United Spanish War Veterans, urging the appointment of Frederick A. Royse as Deputy Commissioner of Pensions; to the Committee on Pensions.

4887. By Mr. MORIN: Petition of American Flexible Bolt Co., Union Steel Casting Co., the McConway & Torley Co., and Robert H. Blackall, all of Pittsburgh, Pa., urging legislation which will direct the Treasury Department to honor Interstate Commerce Commission partial-payment certificates; to the Committee on Interstate and Foreign Commerce.

4888. By Mr. O'CONNELL: Petition of D. Nusbaum & Co., of New York, urging the Federal daylight-saving law; to the Committee on Interstate and Foreign Commerce.

4889. Also, petition of Civitas Club, of Brooklyn, N. Y., favoring the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4890. Also, petition of New York organization of the American Legion, New York City, protesting against the proposed Sunday blue laws; to the Committee on Interstate and Foreign Commerce.

4891. By Mr. OSBORNE: Memorial of Society Sons of the Revolution in the State of California, opposed to lessening the defensive branches of the fighting forces of the United States; to the Committee on Military Affairs.

4892. By Mr. HENRY T. RAINEY: Petition of war risk insurance patients in San Angelo Sanatorium, protesting against treatment received and favoring the law providing for home treatment; to the Committee on Interstate and Foreign Commerce.

4893. Also, petition of president and faculty of Illinois College, to amend water power act so that it will not apply to our national parks, and to defeat the Fall River Basin bill, the bill for the privilege of damming the Yellowstone Lake, and all other bills of similar purpose affecting any of our national parks should they be introduced; to the Select Committee on Water Power.

SENATE.

MONDAY, January 10, 1921.

Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee for the sanctities of yesterday. Grant that the spirit of those sanctities may be carried through the week with its responsibilities and privileges. And so help us live that even the commonplaces of life become very sanctuaries of fellowship with Thyself, enabling us to do better service, to the glory of Thy name. Amen.

LAWRENCE Y. SHERMAN, a Senator from the State of Illinois, appeared in his seat to-day.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day, Thursday, January 6, 1921, when, on request of Mr. CURTIS, and by unanimous consent, the further reading was dispensed with and the Journal was approved.

COUNTRY GRAIN MARKETING.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, a report on country grain marketing, being volume 1 of the commission's report on country grain marketing, which was referred to the Committee on Agriculture and Forestry.

LUMBER ASSOCIATIONS.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, data in re lumber associations, which was referred to the Select Committee on Housing and Reconstruction.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, a schedule of useless papers devoid of historic interest accumulated in the files of the department and asking for action look-